

Austria	Sch 15	Indonesia	Rp 2500	Portugal	Esc 65
Bahrain	DM 0.650	Iraq	L 100	S. Arabia	Rs 6.00
Belgium	Fr 1.00	Japan	Yen 100	Singapore	\$5 4.10
Canada	C\$3.50	Kuwait	Fr 500	Spain	Pes 95
Cyprus	MEs 5.00	Kuwait	Fr 500	Sri Lanka	Ru 30
Denmark	DKr 7.00	Lebanon	L 1.00	Sweden	Sk 6.50
Egypt	Ec 1.00	Luxembourg	LF 25	Switzerland	Fr 2.50
Finland	Frk 5.50	Malaysia	Ringgit 2.50	U.S.A.	\$1.50
France	Fr 11.50	Mexico	Pes 1.25	U.S.A.	\$1.50
Germany	DM 2.00	Morocco	Dir 6.00	U.S.A.	\$1.50
Greece	Dr 50	Peru	Int 0.00	U.S.A.	\$1.50
Hong Kong	HKS 12	Rhodesia	Int 0.00	U.S.A.	\$1.50
Iceland	Nkr 1.25	Romania	Leu 1.50	U.S.A.	\$1.50
Philippines	Pes 20	Russia	Rs 1.50	U.S.A.	\$1.50

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Thursday October 20 1983

D-8523 B

Capital spending
set to fuel U.S.
economy, Page 4

No. 29,150

NEWS SUMMARY

GENERAL

Lebanon peace summit called off

Lebanon's Government last night called off today's first meeting of the planned national reconciliation conference because more than half the politicians invited refused to meet at Beirut airport.

Among their reasons was the view that the venue was not safe. Four U.S. marines were injured when a car bomb exploded as a marine convoy passed in southern Beirut.

Two Israeli border police were killed in Sidon. Earlier story, Page 3

Grenada PM freed

Gunfire broke out in the Caribbean island of Grenada after a crowd of 3,000 freed Premier Maurice Bishop from house arrest. Page 4

'Secret plans found'

French intelligence and Defence Ministry officials would not comment on a newspaper report that secret plans for new missiles to equip a nuclear submarine had been found on a Paris street.

Trouble in Sind

Opposition supporters say at least five people were killed and more than 80 wounded in a gun battle between villagers and security forces in Pakistan's troubled Sind province.

Basque killing

Spanish army captain kidnapped by Basque guerrillas two weeks ago was found dead outside Bilbao after the Government had refused a demand to release nine detainees and broadcast a statement condemning their trial.

Border police held

France arrested four Spanish police in Hendaye, one kilometre inside the French border, as they tried to seize a Spanish Basque separatist.

Korean spy arrests

Twelve South Koreans have been arrested on charges of spying for North Korea.

Thorn to visit China

European Commission President Gaston Thorn is to pay an official visit to China from November 1-6.

President Ronald Reagan will leave Washington for his six-day visit to Japan and South Korea on November 8.

More Nobel winners

Three more professors working in the U.S. were named as Nobel prize winners - Dr Henry Taube (chemistry) and Dr Subrahmanyam Chandrasekhar and Dr William Fowler (physics). Page 2

Tough ice battle

Fresh ice is sealing channels carved by icebreakers in the eastern Arctic, where four convoys totalling more than 40 Soviet ships have been trapped for three weeks.

Demotion legal

A former plant manager in Belgium who altered his identity card to give his profession as chauffeur to get a job was cleared of forgery by a Ghent court.

Briefly...

Australian cameraman was killed in Afghanistan during a Soviet raid on guerrillas.

Switzerland is to cut urban speed limit from 60 kph to 50 kph (30 mph) following trials showing a 10 per cent cut in accidents.

Tanzania rounded up 5,724 under a new law requiring all able-bodied people to work.

BUSINESS

Elf to cut 4,000 jobs in France

Elf-Aquitaine, the French state oil group, is to lay off 4,000 of its 60,000 workforce over the next four years. Page 22

• DOLLAR rose DM 2.5855 (DM25.85), FF 7.900 (Fr 7.903), and Y232.25, and closed unchanged at SWF 2.0985. Its Bank of England trade-weighted index was 125.9 up 0.3. Page 41

• STERLING closed unchanged at \$1.5005, and improved to DM 3.8285 (DM 3.83), FF 11.85 (Fr 11.85), SWF 1.1525 (SWF 1.15) and Y24.25 (Y34.25). The rate was unchanged at \$1.3. Page 41

• GOLD lost \$2 in London, closing at \$394.375. In Frankfurt it fell \$2.25 to \$394, and in Zurich it dropped \$2, to \$394.5. Page 40

• FRANKFURT: Commerzbank index improved Tuesday's 22-year high by 2.5, closing at 992.2. Report Page 31. Leading prices, Page 34

• LONDON: FT Industrial Ordinary index edged up 0.2 to 578.4. A few Government securities closed marginally lower. Report, Page 35. FT Share Information Service, Page 36-38.

• WALL STREET: Dow Jones index closed down 4.6 at 1,246.75. Report, Page 31. Full share listings, Page 32-34

• TOKYO: Nikkei Dow index dropped 68.28 to 9,280.8. Stock Exchange index fell 4.1 to 676.88. Report, Page 31. Leading prices, other exchanges, Page 34

• AUSTRIA plans a net budget deficit of Sch 62.1bn (\$3.39bn), 4.9 per cent of the gross domestic product, in 1984.

• ISRAEL will pull out of its economic crisis soon because it has a healthy economic base and proper measures are being adopted, said new Finance Minister Yigal Cohen-Orgad. Page 3

• INDIA nationalised 13 of 50 Bombay textile mills that were hit by a strike. Page 24

• PORTUGAL's letter of intent to the IMF says that in return for its \$467m standby loan it will cut spending to reduce its balance of payments current account deficit to \$2bn at the end of this year and \$1.25bn by 1984. Page 22

• TURKEY and Iraq agreed to build a liquid petroleum gas pipeline by 1988 to carry 3m tonnes a year. Page 22

• INTERNATIONAL Arbitration: Special report by A. H. Hervouet on a historic meeting in Paris. Page 38

• IRISH REPUBLIC passed emergency legislation providing for the state to appoint an administrator to run any insurance company in difficulties, following reports that a major motor insurer was in trouble.

AT&T which is just days away from completing the biggest break-up in corporate history, said its third quarter earnings fell to \$1.46bn or \$1.51 a share from \$2.02bn or \$2.32 a share in the same period last year.

Mr Charles Brown, AT&T chairman, maintained that the sharply lower earnings "do not constitute a trend but rather are the products of cross currents in the economy, in our operations and in our efforts to

Successful Ariane launch boosts European space challenge

BY DAVID MARSH IN PARIS

EUROPEAN EFFORTS to challenge U.S. supremacy in space technology have been given a powerful new boost following yesterday's successful launching of the 11-tonne Ariane rocket, placing a giant international communications satellite in orbit shortly after blasting off from French Guyana.

The lift-off, in the early hours of yesterday morning, was Ariane's fifth successful flight out of seven launches so far.

The French-led Ariane project, developed at a cost of \$1bn by the European Space Agency (ESA), was hit by frequent setbacks earlier in the programme. Following yesterday's Ariane launch, the first to car-

ry a fully commercial international satellite, Europe has now, however, succeeded in staking a firm place as a challenger in satellite launching to the U.S. space shuttle.

Ariane space, the French-dominated organisation set up to commercialise future Ariane flights, can now be expected to step up further efforts to win orders for satellite launching on the international market.

The organisation already has a firm order book worth FF 5.2bn for 25 satellite launches over the next few years. Half of its roughly one dozen clients come from outside Europe, including the leading U.S. sat-

elite companies led by GTE SpaceNet. Ariane space expects to clinch another U.S. order before the end of the year.

Disturbed by the failure of Ariane's fifth launch in September 1982 (the sixth one in June was also a success), some potential international customers have been holding back from granting orders. Now, Ariane will be redoubling efforts to convince them that the success of Ariane's launch would now be a matter of routine.

The lift-off took place at 04.50 am GMT, about an hour later than originally planned after a last-minute hitch in the countdown sequence.

The French Government, in particular, was yesterday making

no efforts to hide its pleasure at the successful launch. At the ESA headquarters in Paris - where champagne flowed following the previous successful launch in June - officials said the success represented a milestone in Ariane's development.

Frédéric d'Alell, director general of France's national space agency, said the launch provided

the justification for seven costly years of efforts to stake out Europe's claim in space.

M Eric Quissard, the director general of ESA, added that Europe was now firmly the "third power" in space after the U.S. and the Soviet Union.

Creusot and Rolls in talks on European gas turbine venture

BY DAVID HOUSEGO IN PARIS AND IAN RODGER IN LONDON

CREUSOT-LOIRE, the leading French engineering group, and Rolls-Royce, the UK engine manufacturer, are discussing a joint venture to supply gas turbine-driven equipment using totally European technology.

Officials insisted, however, that the governments were not negotiating on behalf of the companies.

Both Creusot and Rolls said the discussion had begun last year at the height of the embargo controversy, but they would not indicate the sort of deal about which they were talking, nor the state of negotiations.

It appears, however, that there is no great urgency, as the markets for gas turbine-driven equipment are depressed.

Rolls, although best known as an aero-engine manufacturer, is also

Freeze on EEC farm payments extended

By John Wyles
in Brussels

THE EUROPEAN Commission has extended the suspension of advance payments for EEC farm export subsidies and some producers' aids because of the shortage of cash in the Common Agricultural Policy (CAP) budget.

It is not clear when the payments will be resumed, but Commission sources suggest that the suspension will probably run until the end of the year. This could have the effect of deferring payments worth around 400m European Currency Units (\$348.4m) against an expected shortfall in the 1983 CAP budget of 600m Ecu.

The possibility of another Soviet gas pipeline project in a few years' time suggests that a turbine-compressor link between the two companies might be the most useful.

Industrial collaboration deals of this kind are seen by both the French and British Governments as

Continued on Page 22

Peugeot 'will keep UK and Spanish plants'

BY KENNETH GOODING IN LONDON

PEUGEOT now sees itself as a European rather than a French group and is determined to maintain production facilities in Britain and Spain as well as in France, the company's president, M Jean-Paul Parayre, said in London yesterday.

He also dismissed absolutely suggestions that the Talbot marque would be eliminated.

It has been widely argued in the industry that Peugeot's sales had dropped to a level which no longer justified three marques - Peugeot, Citroën and Talbot - and that neither could the group, with its accumulated losses of FF 1.6bn (\$150m) for the past three years, afford to keep Talbot going.

The group's output reached 2.2m vehicles and it had European market leadership after it acquired Chrysler's European businesses (later renamed Talbot) in 1978. Last year output was down to 1.6m.

M Parayre insisted that the Talbot marque was necessary if the group was to meet its sales targets. He forecast that in 1984 Peugeot-Citroën-Talbot would achieve a 12.5 per cent European market share and be "close to the top" of the producers' league once again.

Last year the group's European penetration dropped from 13 to 12.3 per cent and in the first nine months of 1983 it fell further to 11.8 per cent.

M Parayre said Peugeot would reach its European share target in spite of the fact that the French market would decline next year.

Peugeot-Citroën-Talbot will recover strongly in France against its main rival, Renault, because, he claimed, Renault's model line-up was not as strong. M Parayre pointed

ing in Eagle Star to 40 per cent. The UK Takeover Panel rules prevent a partial offer unless the terms are agreed by the defending company's board.

The statement of the bid from Allianz's advisers, Morgan Grenfell, explained how the bid was effectively a partial one. But it took some time for that to be conveyed to the London Stock Market.

During that short period, the share price moved from 500p to 540p before falling back and closing the day at 525p.

Allianz first acquired its stake in Eagle Star in June 1981 as part of its strategy of diversifying its insurance operations worldwide.

Its initial 27.8 per cent holding was still sufficient to give it a strong presence in the London insurance market.

Lex, Page 22; details, Page 28

ALKANZ finally launches full bid for Eagle Star

BY ERIC SHORT IN LONDON

AMERICAN Telephone and Telegraph (AT&T), the giant U.S. telecommunications group, stunned Wall Street yesterday by announcing a 28 per cent decline in third quarter earnings. The company also announced plans for a \$5.26bn divestiture-related charge in the fourth quarter.

AT&T which is just days away from completing the biggest break-up in corporate history, said its third quarter earnings fell to \$1.46bn or \$1.51 a share from \$2.02bn or \$2.32 a share in the same period last year.

Mr Charles Brown, AT&T chairman, maintained that the sharply lower earnings "do not constitute a trend but rather are the products of cross currents in the economy, in our operations and in our efforts to

ready the Bell System for divestiture."

EUROPEAN NEWS

France has first trade surplus in four years

By David Housego in Paris

FRANCE recorded its first monthly trade surplus in more than four years last month, confirming the unexpected sharp improvement in the external account.

According to figures issued yesterday, there was a seasonally adjusted surplus last month of FF 323m (£26m).

This follows small deficits of FF 39m in August and FF 36m in July. Thus, for the first nine months of the year the cumulative deficit totals FF 39.7bn, meaning that the Government is comfortably within reach of bringing down the current deficit for the year to below its target of FF 60bn after last year's FF 94bn.

M Jacques Delors, the Finance Minister, also announced yesterday that the current account would break even or be in surplus in the third quarter. This follows a first quarter current account deficit of FF 30bn which dropped to FF 2.9bn in the second quarter.

Opening the debate in the National Assembly on the 1983 budget, M Delors said that these results would lead France to "at least borrow less abroad" and explained in part the fact that the franc was standing up well in the foreign exchange markets.

The September trade surplus was the result of a slight improvement in both exports and imports. Exports rose to FF 62.06bn partly reflecting the increased competitiveness provided by devaluations this year and last.

Imports fell to FF 61.7bn, though they do not yet seem to be reflecting the full loss of purchasing power following the Government's squeezing of demand. September imports also seem to have been depressed by oil companies slowing the rate of imports.

On an uncorrected basis there was still a trade deficit of FF 2.3bn in September. The last seasonally adjusted monthly trade surplus was in March 1979, though there was also an exceptional surplus in August 1981 as the result of the bunching of Airbus sales.

Eta murder poses problems for Madrid

By David White in Madrid

THE SPANISH Government's problems with the military over continuing terrorist violence in the Basque country have been exacerbated by yesterday's news that a minority faction of Eta, the separatist movement, has executed an army captain after holding him captive for almost two weeks.

The body of Capt Alberto Martin, a military pharmacist, was found outside Bilbao yesterday morning with a bullet in the head. He had apparently been killed on Tuesday night.

Capt Martin was kidnapped on October 6 by a faction of Eta Politico-Militar, the more moderate of the main Eta branches, which has been riven by internal divisions. The "Eighth Assembly" faction opted to continue underground action after other members of the movement laid down arms and came out into the open early last year.

The Government refused to give in to the kidnappers' demands for release of nine guerrillas who faced trial in a military court in Lérida, Catalonia, charged with attacking a military garrison in November 1980.

Spanish television, pressed to broadcast a communiqué from the kidnappers, tried to bargain by promising to do so once Capt Martin was released, and on Friday read out a reduced version. The full communiqué was published in local and national newspapers. The kidnapped victim's relatives had pleaded for the demands to be fulfilled.

Austria budget deficit

ANNUAL REPORT CASTS DOUBT ON TEN'S POLICIES

Commission forecasts weak recovery

BY JOHN WYLES IN BRUSSELS

ECONOMIC RECOVERY in the EEC will be weak and fragile next year, with unemployment continuing to rise and member states facing some danger of further stagnation. These are the main conclusions of the European Commission's annual report on the Community economy, which is marked by evident doubts about whether existing policies can lead to a genuine and lasting economic upturn.

Presenting the report to a news conference last night, M François-Xavier Ortoli, the Commission's vice-president for economic affairs, stressed the novelty of a real prospective economic upturn in the Community after three years of virtual economic standstill. But he revealed his anxieties about the persistent threats to the recovery posed by, among other things, international indebtedness, high real interest rates, and monetary instability.

"The organisational recovery is just as important as short-term economic considerations,"

he emphasised.

The Commission's economic forecast points to a 1.5 per cent growth rate for the 10 member States as a whole compared with 0.5 per cent in 1983. West Germany and Britain are expected to top the recovery league, with growth rates of 2.1 per cent and 2.2 per cent respectively. Only Luxembourg is forecast to have a negative growth next year, of 1 per cent.

The unemployment rate is forecast to rise from 10.4 per cent this year to 10.9 per cent in 1984, but the Ten's balance of payments are expected to move into broad equilibrium. Average wage increases should fall from 7.2 per cent this year, to 6 per cent in 1984, and the rate of increase in consumer prices from 6.3 per cent to 5.6 per cent.

M Ortoli underlined last night the progress which Community governments had made in reducing inflation over the past two years and in narrowing the differential between the highest

and lowest of rates of inflation in EEC countries from 16.4 per cent in 1982 to 13.6 per cent.

The report argues that despite progress in reducing inflation and public deficits there are still too few signs of structural improvement in the EEC economy — in particular, the absence of an assured strengthening of employment and investment. Total investment has fallen from 21.1 per cent of gross domestic product in 1980 to 18.6 per cent last year.

Noting that investment has become increasingly concentrated in services, the Commission says that employment growth in service sectors has been only 1.5 per cent a year compared to 3 per cent in the U.S. between 1978 and 1981.

The Commission adds that it would be a mistake to believe that governments' current efforts "amount to sufficient conditions for a lasting recovery in the Community." Govern-

ments in seven priority areas says the report.

They should take every opportunity to lower interest rates, to reduce and stabilise budget deficits to the extent that they encourage a renewed growth in private investment; to restructure public expenditure and taxation, so as to give priority to infrastructure development and create a better fiscal environment for business; to review their regulatory activities in order to avoid any curbing of productive potential; to make sustained efforts to reduce unemployment through training schemes and job creation initiatives; to ensure that real wage increases do not stand in the way of improved profitability and relate to the performance of companies; and to take action at Community level to reinforce the European monetary system, build up the EEC's potential in high technology growth sectors and take determined steps to remove internal barriers to trade within the Community.

The three-year plan proposed by the rail board entails a net reduction of 5,000 in its workforce of 75,000, and possibly more if the Government opts to scrap parts of the network.

Hostile reactions from

Spain may cut railway workforce

BY David White in Madrid

SPAIN'S RAILWAYS, which are among the slowest and least used in Europe, are threatened with a labour conflict over drastic cost-cutting plans drawn up at the request of the Socialist Gov-

Poehl gives warning of limit to Bonn finance for IMF

BY JOHN DAVIES IN FRANKFURT

WEST GERMANY expects other countries, notably the U.S., to pull their weight in financing the International Monetary Fund and the World Bank, Herr Karl Otto Poehl, president of the Bundesbank, indicated yesterday. He made clear there were limits to West Germany's readiness to finance such institutions.

Herr Poehl said that West Germany's contribution to the IMF and World Bank was relatively greater than that of most other industrialised countries, including the U.S.

"We will continue to make a fair contribution," he said. This was because West Germany, as a major exporter, realises the importance of a properly functioning currency and financial system.

"But our readiness to do so also depends on what other countries are willing to contribute," he added.

The higher quotas are designed to meet the increased financial support needs of countries with balance of payments difficulties and debt problems.

As chairman of the Group of Ten central bankers, Herr Poehl has been cautioning against a final decision to grant a \$60 billion international loan to the IMF until the U.S. Congress approves the quota.

Addressing a chamber of commerce conference in Frankfurt, Herr Poehl said he had been shocked by the tone of some debate in the U.S. about the plan to raise IMF quotas. The debate was marked by hostility to private bankers with

heavy foreign lending and by attempts to change the IMF's character to make its credit policy serve political ends, he said.

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"We will continue to make a fair contribution," he said. This was because West Germany, as a major exporter, realises the importance of a properly functioning currency and financial system.

"But our readiness to do so also depends on what other countries are willing to contribute," he added.

International debt problems called for long-term solutions rather than crisis management. But this should not involve transferring problems from private banks to government authorities. The banks could bear the responsibilities even if this left deep scars in the profit picture in some cases.

IMF team sees threat to recovery in Belgium

BY PAUL CHEESERIGHT IN BRUSSELS

THE EXCESSIVE level of interest payments, should be reduced by more than 2 per cent a year.

Government policies are in fact aimed in this direction and it was stressed yesterday that the target would be met in 1984

If present budget plans are executed. But the earlier hope of reducing the public spending deficit to 7 per cent of GNP by 1983 from 16 per cent now is deemed unrealistic.

The IMF is also concerned about the effect of the economy of a return to a fully indexed system of wage increases after the end of next year, when the present system of restraint expires. Mr Wilfried Martens, the Prime Minister, said yesterday that the Government would be holding talks with the unions and employers about restraint after the end of next year.

The future stability of the Belgian franc within the European monetary system required both a deceleration of public spending and the absence of a wage explosion, in the IMF's view. Financing the deficit is likely to pose difficult choices during periods of currency tensions within the EMS.

Nobel science awards

BY DAVID BROWN IN STOCKHOLM

THE NOBEL prize in chemistry was awarded yesterday to Dr Henry Taube of Stanford University, California. The physics award is shared by two professors, Dr Subrahmanyam Chandrasekhar of the University of Chicago and Dr William Fowler of the California Institute of Technology. Both prizes are worth \$1.5m (£128,000).

The chemistry award was based on Dr Taube's work on the mechanics of electron transfer for reactions in metal complexes. The Nobel committee said this work "has been on the leading edge of research in several fields and has had a decisive influence on development."

Dr Chandrasekhar and Dr Fowler were said to have been "the most prominent" scientists in the study of stellar evolution.

Herring dispute edges towards solution

BY OUR LUXEMBOURG CORRESPONDENT

A DAMAGING EEC dispute over herring fishing rights in the North Sea which has curtailed the operation of the nine-month-old fisheries policy appeared to be edging towards a solution last night.

Fisheries ministers have spent countless hours of fruitless negotiation in recent months in an attempt to force Denmark to accept a 9 per cent share of this year's North Sea herring catch.

But as a further round of ministerial discussions got under way in Luxembourg yesterday there was growing optimism

that a rapid growth in herring stocks which, according to EEC fisheries experts, could permit a total Community catch quota of more than 150,000 tonnes next year.

This could allow the Danes to agree a herring settlement on the understanding that their percentage share would increase compared with those of other member states as permitted catch levels rise in future.

Ministers last night were attempting to hammer out a compromise based on an estimated 153,000-tonne TAC world quota of 24.5 per cent of a 153,000-tonne TAC world quota of 22.5 per cent if the TAC reaches 245,000 tonnes.

North Sea herring is one of

the final pieces of the jigsaw needed to complete the common fishery policy, the basis of which was agreed last January.

The North Sea fishery was only re-opened last summer after a six-year period during which the taking of herring was banned. Overfishing had led to dwindling stocks which were in danger of being wiped out.

British fishermen's leaders now feel, however, that given careful management and adequate conservation measures, North Sea herring could become one of the most economically important fish stocks in Community waters.

Brussels leniency over competition fines

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission, charged with the policing of the EEC's competition rules, has for the first time taken into account the ability to pay in its imposition of penalties on companies condemned for an attempt to rig the market for iron and steel rolls.

Officials acknowledged the precedent yesterday with announcing fines totalling Ecu 1.25m (£12,000) on 26 companies from Belgium, France, West Germany, Italy, Sweden and Austria for what

effort to frustrate one of the principal aims of the Treaty of Rome, namely the creation of a single market."

The apparently lenient decision on the fines comes in the wake of a series of Commission pronouncements to the effect that it is rigorously monitoring restrictive trade arrangements and is seeking to use competition policy as an aid to economic adjustment.

"The Commission believes that it is important, precisely during a period of recession, to keep up the pressure for

competition of the common market and to promote open competition," said Mr Frans Andriessen, the commissioner in charge of competition policy.

The companies, which include Davy Rolls of Sheffield, Midland Rollmakers of Crewe and R. B. Teekniet of Coatbridge, have been condemned for consulting on prices before making quotations in each other's home markets, for fixing between them general price increases and for temporarily allocating supplies.

These practices, according to the Commission, were followed between 1968 and 1980.

The 26 companies had a turnover of about 90 per cent of the market for iron and steel rolls, an industry which has a Community-wide turnover of about Ecu 250m (£12.42m) a year.

But the companies have been making persistent losses in recent years and face extra costs from restructuring. The Commission, in imposing the fines, did not want to place the companies in more acute financial difficulties.

Mitterrand for talks in London

BY ANTHONY ROBINSON

THE French President, M François Mitterrand, arrives in London today for the third annual Anglo-French top-level meeting of East European countries, at which differences over European Community matters, East-West relations and prospects for increased industrial and scientific co-operation are likely to dominate.

Mitterrand is accompanied by seven Ministers, including M Charles Herau, the Minister of Defence.

The two-day meeting comes six weeks before an EEC summit at Athens followed by a French assumption of the Community presidency in the new year. The timing gives added weight to discussions between the CMEA (Comecon) countries delivered the products needed by the Soviet Union."

Mr Tikhonov told the annual meeting that Moscow was ready to boost deliveries of raw materials but the possibility depended largely on what extent the CMEA countries delivered the products needed by the Soviet Union."

These problems have been brought to a head by the proposed entry of Spain and Portugal and a budgetary crisis caused by above-plan farm support payments.

As independent nuclear powers, both sides reject Soviet demands for their strategic missile forces to be included at the intermediate-range nuclear force talks in Geneva. Discussions on East-West issues are expected to range widely over future policies.

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OVERSEAS NEWS

UK and China tackle sovereignty issue in Hong Kong talks

By ALAIN CASS, ASIA EDITOR, IN HONG KONG

BRITAIN AND CHINA yesterday tackled the thorny issue of Hong Kong's sovereignty, a question that China has previously insisted was not negotiable.

In the fifth round of discussions in Peking yesterday between the UK and China over the future of the colony, Britain is believed to have reiterated that, in effect, sovereignty would be negotiable in return for administrative arrangements which guaranteed Hong Kong's prosperity.

The British negotiating team, led by Sir Percy Cradock, Britain's Ambassador to Peking, presented its Chinese counterparts with a letter from Mrs Margaret Thatcher, the British Prime Minister, in which she is understood to have made a plea for greater flexibility in the deadlock talks.

China has been insisting that Britain concede sovereignty over the entire territory before it would discuss practical arrangements for its administration after 1997.

That is when the lease on the New Territories and much of the Kowloon peninsula runs out. Hong Kong Island was ceded to Britain in perpetuity in a 19th century treaty which China disputes.

It is being emphasised that there is no question of Britain "capitulating" over China's demands, but there has clearly been a shift in the UK's position.

Hardliner says Israel will emerge from crisis

By DAVID LENNON IN TEL AVIV

ISRAEL will emerge from its economic crisis soon because it has a healthy economic base and the proper measures are being adopted, Mr Yigal Cohen-Orgad, the new Finance Minister told the Knesset (Parliament) yesterday when it debated the no-confidence motion tabled by the opposition.

The nine-day-old Government of Mr Yitzhak Shamir defeated by a vote of 61 to 54 the motion criticising the economic policy pursued for the past two years by the Likud under its previous leader Mr Menahem Begin. Mr Cohen-Orgad said that

there would be cuts in the government budget, public demand would be curbed and the standard of living would not be allowed to rise.

The Minister, who was making his first address to the Knesset, promised to make every effort to reduce imports and private consumption and to revive exports.

With the main thrust of his policies aimed at renewing growth within the economy, the Minister said that he believed it would be possible to reduce the balance of payments deficit by half.

Lebanon peace talks still set for today

By NICK BOUTSIY IN BEIRUT

THE Lebanese Government apparently remained determined to start full-scale peace talks today despite the rejection by key opposition leaders of the proposed airport venue and continued fighting in Beirut's suburbs.

The Government emphasised after a Cabinet meeting that it planned to keep to its 11 am target for the start of the negotiations, but made no mention of a venue, implying that the site could still be changed.

Observers are now saying that China has willfully misrepresented Britain's position in these confidential discussions. China, in a growing crescendo of public criticism, has accused Britain of adopting a "colonialist attitude" toward the territory.

One card in favour of Britain's team is this week's performance by the Hong Kong dollar following last weekend's carefully-timed support measures. Yesterday the currency was trading very close to the HK\$7.8 level

to the U.S. at which the Government has guaranteed the currency to the territory's note-issuing banks.

Political analysts in Beirut have questioned the earnestness of all sides concerned to sit down and proceed with the national debate.

While the opposition, bent on gaining concessions from a regime based on a Christian majority, does not seem ready for the talks, the Lebanese Government is worried about keeping them within a "constitutional framework".

To the right-wing Christians, who will have to give up some of their power to a now larger Muslim community, the dialogue would not be a free one. The opinion of hardliners in that camp is that discussions will be held under Syria's boot because of its armed presence and wide influence with local allies.

Anthony Robinson reports on the Soviet Union's obsession with its U.S. relations

Why the Japanese fear a humiliated Moscow

Tokyo tax proposal rejected

By CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

WHEN SOVIET diplomats pay a visit to the Japanese Foreign Ministry in Tokyo they are politely offered hard-backed chairs facing a huge wall-map. It shows the north of Hokkaido and four adjacent volcanic islands, objects of a bitter Soviet-Japanese dispute since 1945.

It was against this same accusatory backdrop that the Soviet Ambassador and his staff had to explain last month's shooting down of the Korean Air Lines jumbo jet, an incident which might never have occurred had the Soviet Union placed less reliance on strengthening its military power in the region and more on diplomatic finesse.

As it is, the incident in which 27 Japanese passengers lost their lives has sharpened Japanese apprehension about the progressive militarisation of the whole Sea of Okhotsk area to Japan's immediate north and revived long-standing Japanese perceptions of the Soviet Union as an aggressive and dangerous neighbour.

Once again the Soviet Union has been conducting its own anti-Soviet campaign and showing itself to be a "mean enemy," a senior Japanese diplomat commented drily. Had it not been for the incident Japan, along with Western Europe, would by now have been in a detente-oriented mood, and receptive to the expected stepping-up of Soviet propaganda efforts to forestall U.S. deployment of Pershing and cruise missiles in Europe and alay fears of SS-20 deployment in Asia, another Government official said.

Sensitive to this new mood, and anxious not to be caught off balance by a softening of the mood in Washington, there had been no repetition of Prime Minister Yasuhiro Nakasone's controversial definition of Japan as an "unsinkable aircraft carrier." Genuine, if muted, hope was in the air that progress would allow Japan to match its greatly improved relations with China by limited progress in relations with its other great neighbour as well.

There is little trace of that optimism now. It has been partially replaced by apprehension about the longer-term consequences of what the Soviet Union clearly sees as a bitter humiliation at the hands of the U.S. over the airline incident, on a par perhaps with its humiliations over Cuba in 1962.

The Soviet reaction to the airliner incident has reinforced the views of Japanese officials here that the Soviet Union is, and will remain, obsessed by its relations with the U.S. and that its relations with all other countries, including Japan, China and EEC countries, are conducted primarily with an eye to the effect that these will have on Soviet relations with the U.S.

For Japan, a country long accustomed to being considered as an economic giant but a political pygmy, this Soviet obsession with the U.S. is seen as both unhealthy and somewhat insulting.

It would like to see the Soviet Union pay more attention to its bilateral relations with Japan for its own sake, rather than as a shadow game aimed at in-

fluencing Washington. For a start, this might improve the long-term chances of Soviet recognition of the status of the Okhotsk islands.

The Government also plans to go ahead with the announcement on Friday of a series of measures designed to boost domestic economic activity and increase imports.

A Foreign Ministry spokesman said yesterday that a decision had been taken to announce the economic package regardless of the situation in the Diet.

Nevertheless, Mr Sosuke Nakajima, the LDP Secretary-General, said the Govern-

ment still hopes to present a Bill to the Diet before the end of the month to deal with the portion of the tax cuts relating to that year.

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The package will feature tariff cuts and measures to stimulate an increased inflow of capital to Japan as a boost to domestic reflation.

Japanese diplomatic strength in Asia. It is the fourth factor which is fraught with the greatest domestic and international complications.

Mr Nakasone's concept of Japan as an "unsinkable aircraft carrier," the doctrine of Japanese defence of the sea-lines over a thousand-mile radius and the expected breach of 1 per cent of GNP on defence spending have all created a considerable degree of misgiving.

But the arguments of those who maintain that the Soviet Union judges other countries' importance ultimately by the weight of their military hardware have been strengthened in recent years by the Soviet invasion of Afghanistan, the military crackdown in Poland and latterly the shooting down of the Korean aircraft. Significantly, the U.S. nuclear-powered aircraft carrier Carl Vinson sailed into Sasebo harbour recently to only token protest.

The Soviet press has sharply attacked what it describes as the tide of militarism in Japan and the authorities are prepared for a further escalation of a hostile propaganda campaign in future. If that is the price to pay for forcing the Soviet Union to pay more attention to Japanese interests and sensitivities, it is one which some sections of Japanese official thinking seem prepared to accept.

Any foreseeable increase in Japanese military spending, however, is likely to pale into relative insignificance beside the steady build-up of Soviet strategic, naval and air might in the Sea of Okhotsk area.

Australian concern over exchange rate moves

By MICHAEL THOMPSON-NOEL IN SYDNEY

soaring.

AUSTRALIA'S powerful farm and mining lobbies voiced concern yesterday at the Government's recent upward manipulation of the Australian dollar exchange rate, claiming that the currency's re-appreciation was likely to harm export prospects.

On a trade-weighted basis, the Australian dollar has now regained its level of last March 7, immediately before the then newly-elected Labour Government devalued it by 10 per cent to combat a run on the dollar which had sent interest rates

soaring.

However, the Government is faced with large-scale speculative inflows of capital. Given a weakening U.S. dollar, and its wish to control money supply growth, it has aggressively revalued the local dollar recently.

Mr Michael Davidson, president of the National Farmers' Federation, said yesterday that the Government was jeopardising export prospects by using exchange rate adjustment as its "sole weapon" to combat speculative inflows of capital.

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—Gordon Pitt, K Shoes Ltd.

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1982 capital expenditure: £8.8m.
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AMERICAN NEWS

Climate warming rapidly, EPA report concludes

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE WORLD is rapidly getting warmer, with major consequences for life on earth, and there is little that can be done to stop it. The global temperature is likely to rise by about one degree Fahrenheit in the next 20 years, 3.6 degrees by 2040 and perhaps by nine degrees (five degrees centigrade) by 2100, according to a report just published by the U.S. environmental protection agency.

While private scientists have made similar predictions for years, the report is the first such official warning by the U.S. Government.

The massive change in the world's climate will spread tropical temperatures much further from the equator, raise sea levels by melting polar ice, produce more rainfall and storms in some areas and drought in others, the agency says. New York City could have a climate like Daytona Beach, Florida, by 2100, and the sea level in Charleston, South Carolina, would probably rise by four to seven feet.

The phenomenon, known as the "greenhouse effect," is created by the pumping of more and more carbon dioxide into the atmosphere by burning fossile fuels such as coal and

Crowd 'frees' Grenada's PM from house arrest'

BRIDGETOWN — A crowd of about 3,000 people freed Grenada's Prime Minister, Mr Maurice Bishop, from house arrest yesterday, according to a correspondent for the Caribbean News Agency in the Grenadian capital, St George's.

The correspondent said the crowd meeting only token resistance, stormed the house where Mr Bishop has been held for about a week and freed him.

They then marched through the streets to the central square, where Mr Bishop was to speak.

Mr Bishop had been in political jail for almost a week since hard-line members of the ruling New Jewel Movement Central Committee accused him of defying the

collective will of the party.

Mr Bishop, 39, was a founder of the movement about 10 years ago and led it in a 1979 coup against Prime Minister Eric Gairy.

Earlier, a relative of Mr George Louison, the former Barbados-based Caribbean News Agency by telephone, that Mr Louison had been arrested. Mr Louison was one of at least four pro-Bishop Cabinet Ministers who resigned on Tuesday.

The official Radio Free Grenada said talks aimed at reconciling differences between Mr Bishop and members of the central committee were continuing. Our Foreign Staff reports.

Kissinger team fails to dispel scepticism

By Robert Graham

THE VISTI by the U.S. bipartisan commission on Central America to the region has failed to dispel scepticism about the potential of the initiative to ease tensions. The week-long visit, which ended last Sunday, was the Commission's first since it was formed in July.

The main role of the commission, headed by former Secretary of State Dr Henry Kissinger is to formulate long-term policy for Central America with a special emphasis in U.S. economic assistance. However, it was widely regarded at the time to be no more than a public relations exercise to deflect public criticism of President Ronald Reagan's increasingly interventionist policies in the region.

The EPA says it is trying to get people to realise that changes are coming sooner than they expected. "Major changes will be here by the years 1990 to 2000, and we have to learn how to live with them," an agency official said.

The most serious effect is likely to be on food production, as today's growing areas progressively become unable to sustain their present crops. "There are only a few decades left" to plan for and cope with a change in habitability in many geographic regions," the study says.

Of the various policies designed to slow the rate of warming, only two would have any significant effect, according to the study. These are a ban on the use of coal by 2000 and a ban on the use of shale oil and synthetic fuels.

A STRIKING turnaround in the role of the stock market in financing U.S. industry is one of the factors contributing to growing optimism about the contribution which capital investment may make to the performance of the economy next year. New equity issues are running at an annual rate of \$10bn this year according to Dr Henry Kaufman, chief economist at Salomon Brothers in New York. "This will be the first year since 1968 that additions to corporate equity will exceed additions to debt," he adds, pointing out that so far in 1983, while the average monthly volume of public corporate bond issues has been running at \$3.7bn, equity issues have been running at \$3.9bn per month. In 1980 the figures were \$3.2bn for bond issues and \$1.6bn for equity issues.

Concern about the rate of capital formation is one of the main themes of debate among economists in the U.S. Their fears range from general concern about the impact of budget deficits and associated high real interest rates in "crowding out" capital spending later in the economic cycle, to specific worries about the flow of capital to old industries such as steel and to corporations on the frontiers of modern technology.

Anxieties on the latter score help to explain the continuing debate about the possible role which an "industrial policy," however that might be defined, could have in promoting the competitive capacity of American industry.

In addition to these longer term fears, however, there is a broad consensus that after three successive years of declining non-residential fixed investment — the economic forecasting firm



Dr. Henry Kaufman . . . sees a marked improvement

of Data Resources Inc (DRI) for example is predicting a modest 1 per cent decline for 1983 — next year will see a strong upsurge in new investment.

DRI projects a rise of 7.8 per cent and 7.5 per cent in real terms in 1984 and 1985. These

forecasts take account of the continuing sluggishness of corporate construction spending. Equipment spending alone is projected to rise more rapidly at 9.8 per cent and 7.9 per cent respectively.

Even within the capital equipment spending category there have been divergent trends. Continental Bank in its most recent economic report, points out that while spending for heavy industrial and construction equipment has turned up recently it remains very weak. In contrast the bank notes "a strong underlying growth trend in purchases of high technology equipment," which it suggests reflects the growing bias of the economy towards the service sector and this sector's heavy investment in advanced electronics.

Dr Kaufman of Salomon Brothers singles out the marked improvement which is taking place in corporate balance sheets as one factor behind the improving cyclical outlook for capital spending.

"We have ended the period of corporate quality deterioration," he says, referring to the period through

Annual rates of change in real U.S. capital spending

	1981	1982	1983*	1984*	1985*
Gross national product	1.9	-1.9	3.3	5.3	1.2
Non-residential fixed investment	3.3	-4.7	-1.6	7.8	7.5
of which equipment	2.4	-7.5	2.2	9.6	2.9
non-residential construction	4.3	-7.9	3.7	4.5	4.5
Residential fixed investment	-4.9	-15.3	41.8	9.5	1.0

* Forecast.

Source: Data Resources Inc.

Reserve Board reported this week that capacity utilisation in manufacturing, utilities and mining hit a seasonally adjusted 78.1 per cent, sharply up from 71.1 per cent a year ago.

Unless the economy were suddenly to run out of steam, and at the moment this seems unlikely given the strong third quarter growth and expectations of 4.5 per cent real growth in 1984, capacity utilisation levels are likely to continue to rise steadily, adding to incentives for new investment. Such a development would be welcomed by economists who have been uneasy about the fact that the first part of the economic recovery this year was fuelled by a rise in home-building, which in 1983 had risen 40 per cent up on its 1982 level, and consumer durable lending.

This concern, and the fear that high real interest rates could choke off capital spending, have eased considerably. Data Resources, in its forecast for capital spending next year, assumes no significant reduction in interest rates. But it does believe that rates will remain relatively stable, which contrasts with the three years up to 1982, when rates were volatile as well as high in real terms, and were one of the factors in the capital investment downturn.

working hours meant personal income recovered. This recovery, and the boost in car sales, fed through into personal spending (a broader measure of consumer activity than retail sales) which jumped 1.5 per cent in September, also the strongest upturn for five months and an indication that spending on services as well as on goods rose last month.

PERSONAL income and consumer spending in the U.S. rose strongly in September, reflecting expectations that when the Commerce Department reports third quarter national product figures today, they will be close to the 7 per cent real annual rate reported in the preliminary "flash" estimate released last month.

The Commerce Department

said yesterday that in September personal income surged 1.5 per cent, the strongest growth for five months and stronger than the 0.2 per cent rise in August. August's weak figures reflected both a long telephone industry strike and the effects of a hurricane in Texas. Taking these factors into account falling unemployment and lengthening

operational responsibility for the launch and conduct of the mission, said this week that the launch date has been delayed by at least a month to November and is even considering a February launch.

There are good scientific reasons for delaying the launch until next year, but the cost of delay will be heavy, since the European countries involved are having to keep dozens of their scientists and technicians waiting at the Kennedy space centre and other space installations in the U.S.

The latest delay in the launch of the Columbia, the first of an eventual fleet of four space shuttles which are expected to voyage to and from space

regularly, is due to problems with the nozzles on the booster rockets. One of these is being replaced, meaning the shuttle had to be taken off the launch pad and returned to its hangar. The European space lab is the first of two which will greatly increase opportunities for experiments in many fields of science and technology. Its stable and gravity-free environment will open up entirely new possibilities for separating biological materials, for example, in order to obtain preparations of cells for transplantation, for preparing antibodies for the treatment of certain diseases and for purifying vaccines. It also provides ideal conditions for experimenting with metals.

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Personal income, spending up

BY WILLIAM HALL IN NEW YORK

THERE IS a growing likelihood that the first mission of the \$1bn European space lab will not take place until next year following the second delay in the launch of the space shuttle Columbia.

The delay is the latest in a series of setbacks for the most important payload to be carried into space by America's space shuttle. The space lab, developed by the European Space Agency, will for the first time allow

scientists, engineers and technicians rather than astronauts to conduct experiments in Earth orbit conditions.

Timing of the space lab launch is important for several of the 70 or so experiments to be conducted. To achieve the best results, they can only be undertaken at specific times of the year and the delays in the launch date will reduce their usefulness.

The U.S. National Aeronautics and Space Administration (NASA) which has

operational responsibility for the launch and conduct of the mission, said this week that the launch date has been delayed by at least a month to November and is even considering a February launch.

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2.2 A certificate will be issued in respect of each purchase. This certificate will show the value of the bond and its date of purchase. This certificate will be replaced on each anniversary of the date of purchase, and on part repayment in accordance with paragraph 5.2, by a new certificate showing the updated value of the bond, including capitalised interest.

MAXIMUM AND MINIMUM HOLDING LIMITS

3.1 No person may hold, either solely or jointly with any other person, less than £500 in any one bond or more than £50,000 in one or more bonds. The maximum holding limit will not prevent the capitalisation of interest under paragraph 4.3 but capitalised interest will count towards this limit if the holder wishes to purchase another bond. Bonds inherited from a deceased holder and interest on such bonds will not count towards the maximum limit. Bonds held by a person as trustee will not count towards the maximum which he may hold as trustee of a separate fund or which he or the beneficiary may hold in a personal capacity.

3.2 The Treasury may vary the maximum and minimum holding limits from time to time, upon giving notice, but such a variation will not prejudice any right enjoyed by a bond holder immediately before the variation in respect of a bond then held by him.

INTEREST

4.1 Interest will be calculated on a day to day basis from the date of purchase up to the date of repayment. Subject to paragraph 4.2 interest on a bond will be payable at a rate determined by the Treasury, which may be varied upon giving six weeks notice.

4.2 The rate of interest on a bond or part of a bond repaid before the first anniversary of the date of purchase will be half the rate determined by the Treasury in accordance with paragraph 4.1, unless repayment is made on the death of the sole bond holder.

4.3 Interest on a bond will be capitalised on each anniversary of the date of purchase without deduction of income tax, but interest is subject to income

tax and must be included in any return of income made to the Inland Revenue in respect of the year in which it is capitalised.

REPAYMENT

5.1 A holder must give three calendar months' notice of any application for repayment before redemption but no prior notice is required if application is made on the death of the sole bond holder. Any application for repayment of a bond must be made in writing to the National Savings Deposit Bond Office and be accompanied by the current investment certificate. The period of notice will be calculated from the date on which the application is received in the National Savings Deposit Bond Office.

5.2 Application may be made in accordance with paragraph 5.1 for repayment of part of a bond, including capitalised interest, but the amount to be repaid must not be less than £50, or such other figure as the Treasury may determine from time to time upon giving notice. The balance of the bond remaining after repayment, excluding interest which has not been capitalised, must be not less than the minimum holding limit which was in force at the date of application. Where part of a bond has been repaid a new certificate will be issued and the remaining balance will be treated as having the same date of purchase as the original bond.

5.3 Payments will be made by crossed warrant sent by post. For the purpose of determining the amount payable in respect of a bond the date of repayment will be treated as the date on the warrant.

5.4 No payment will be made in respect of a bond held by a minor under the age of seven years, either solely or jointly with any other person, except with the consent of the Director of Savings.

TRANSFERS

6. Bonds will not be transferable except with the consent of the Director of Savings. The Director of Savings will, for example, normally give consent in the case of devolution of bonds on the death of a holder but not to any proposed transfer which is by way of sale or for any consideration.

NOTICE

7. The Treasury will give any notice required under paragraph 3.2, 4.1, 5.2 and 8 in the London, Edinburgh and Belfast Gazettes or in any manner which they think fit. If notice is given otherwise than in the Gazettes, it will as soon as reasonably possible thereafter be recorded in them.

GUARANTEED LIFE OF BONDS

8. Each bond may be held for a guaranteed initial period of 10 years from the purchase date. Thereafter, interest will continue to be payable in accordance with paragraphs 4.1 and 4.3 until the redemption of the bond. The bond may be redeemed either at the end of the guaranteed initial period or on any date thereafter, in either case upon the giving of six months' notice by the Treasury. The Director of Savings will write to the holder before redemption, at his last recorded address, informing him of the date of redemption.

NATIONAL SAVINGS DEPOSIT BOND – Application to purchase

To the Deposit Bond Office, Dept. FT1, National Savings, Glasgow G58 1SB.

Note: Minimum purchase is £50. Maximum holding £50,000. All purchases must be in multiples of £50.

I/We accept the terms of the Prospectus and apply for a Bond to the value of £

BLOCK CAPITALS PLEASE

Surname(s) First name(s) Mr/Mrs/Miss

Address(es)

Postcode

Note: If the Bond is to be held jointly the names and addresses of all holders should be entered. The Investment Certificate and all correspondence will normally be sent to the first named holder Date of Birth (if under 7) Day Month Year

NAME AND ADDRESS TO WHICH DEPOSIT BOND SHOULD BE SENT

(Complete only if different from first address above)

Name

Address

Postcode

Signature(s) Date

Postcode

Note: If the Bond is to be held jointly all the parties must sign above. Persons signing for children under 7 should also state relationship here

Man vs. Manual

Of course you can learn to use your new business computer from a manual.

You're not stupid after all.

Not too smart, either, if that's how you intend to discover the potential of computers for your company.

You didn't learn to drive from the Highway Code.

So why do it with a piece of equipment even more advanced than a car?

We believe that it's better to learn from a man than a manual. We're British Telecom Merlin. And we've been adapting high technology to the needs of the businessman all our life.

So it was only natural that when we came to business computers and word processors we'd approach it knowing the problems businessmen encounter.

It's no use paying £3000 for some equipment and only being able to use £1500 worth.

Why make it complicated?

One of the first problems that newcomers to the technology encounter is a wall of jargon.

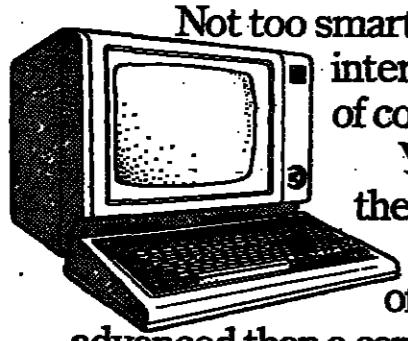
Most advertisements for computers seem to be application forms to join Mensa rather than informing you of what someone is selling.

Which is why, if you ask about our range of word processors and business computers, we'll tell you all about them in a language you'll understand.

English.

And that's also the language we use on our training schemes.

There's a course for all our range of equipment and programs. They are sensibly planned. For instance,



there is a course for secretaries to learn how to operate our word processor.

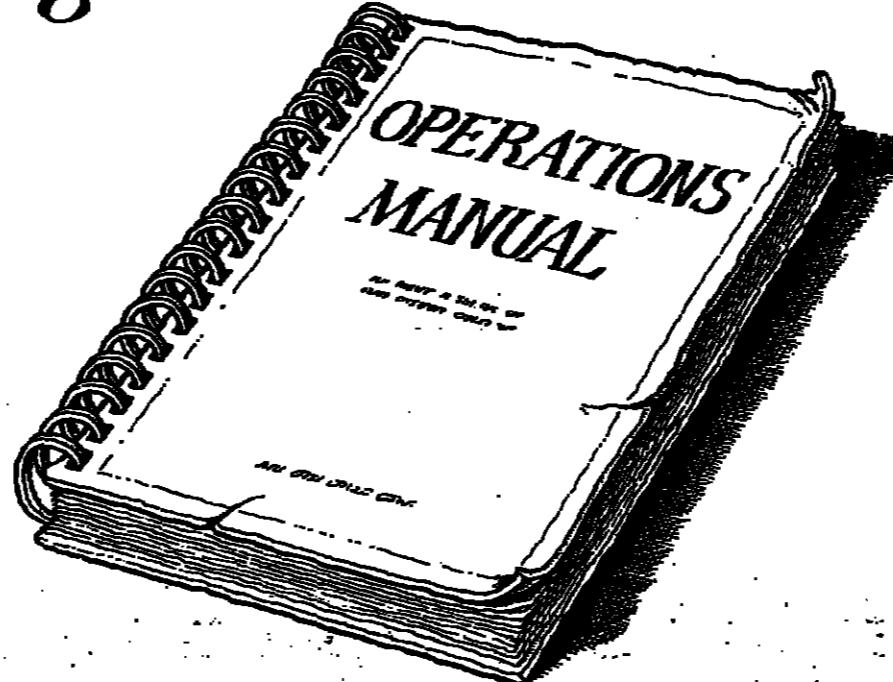
We recommend they take a three day introduction course, then go away and become more familiar with the equipment before returning for another day to learn the full potential of the processor.

We even train the boss.

And for the businessman we have a series of one day and two day courses to introduce them to the equipment and to the software they wish to use.



Fig.1



Preferred by most computer companies

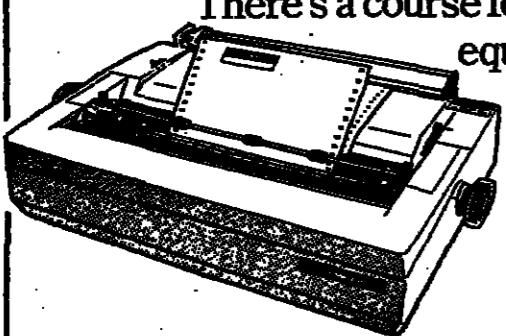
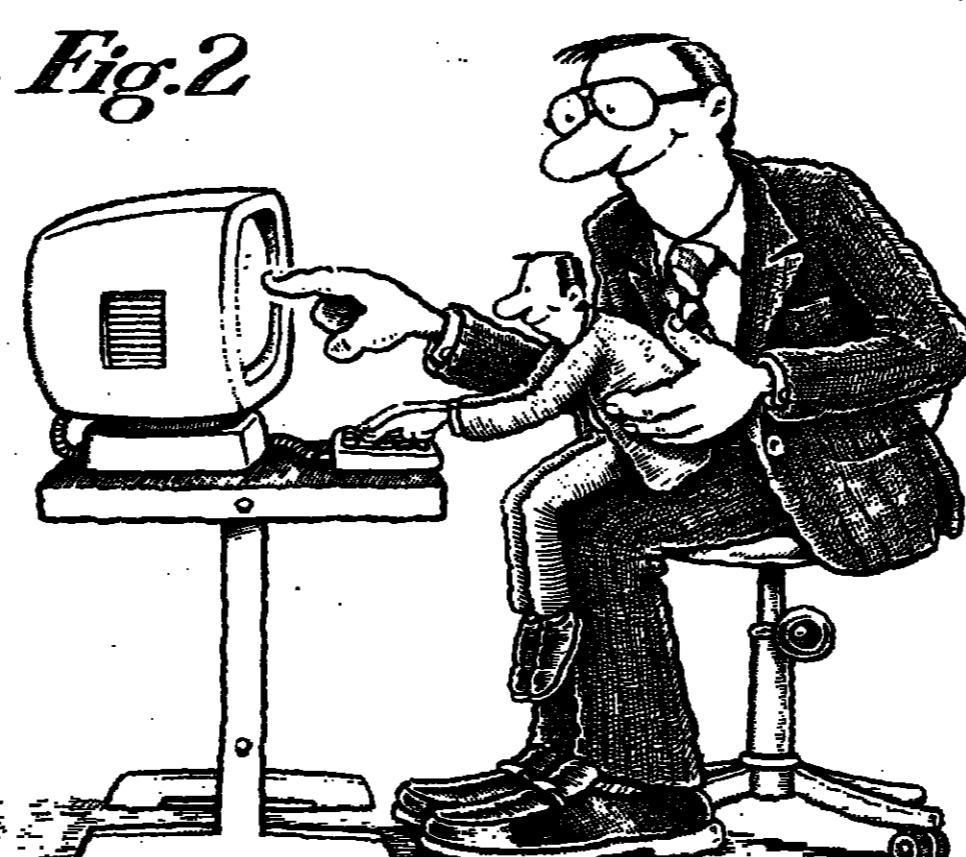


Fig.2



Preferred by most computer users

Now you may think all this talk about training courses is a cover up for poor training manuals. It's not.

As a matter of fact we pride ourselves that our manuals are among the easiest to understand on the market.

Now we come to another aspect of our service. However attentive you were at the training session. However hard you try to look it up in the book, there are times when you may get stuck.

A mental block. Pressed the wrong key. You know how it is.

In that case all you have to do is ring the hotline number to your local Merlin office, and one of our experts will help you solve your problem.

The expert will have exactly the same equipment as you, loaded with exactly the same software. So he or she can duplicate exactly where you got stuck. And tell you how to put it right.

It's such a simple idea, we don't know why every other computer company doesn't offer it.

Make it simpler.

If you're interested in talking to one of our people about your computer needs, that's also very simple.

All you have to do is dial 100 and ask for Freefone Merlin.

If you want it to be more complicated you can always fill in the coupon.

Please send me information about your business computers and word processors.
To: Victor Brand, Merlin, FREEPOST London SW19 8BR

Name _____

Address _____

Tel. No. _____

FT 20/10

Merlin
British Telecom Business Systems

Someone had to make it simpler.

EVERY DAY BUSINESS TAKES OFF WITH FALCON.



Dassault Falcon International

There are nearly 800 of them all over the world. Nearly 800 Falcon jets lending wings every day to leading business or government decision-makers. The 26 Heads of State and the hundreds of top companies in the fields of business, electronics, data processing, energy, finance and international trade do not usually make a decision without first making sure. If they insist on flying a Falcon, it is because for them the Falcon represents the most efficient and intelligent investment.

Indeed, the design and engineering of the Falcon 100, 200 and 50 corporate jets put them right next to the most recent generations of commercial airplanes. Incomparably sturdy, the Falcons have been the only business jets whose structure has not been imposed "life limits". Another significant efficiency item

can be found in the Falcon's hydraulic flight controls, which are similar to those of Mirage fighters flying at Mach 2.2 and need to be verified only once every ten years. Certifying authorities are so convinced of their flying qualities that no artificial safety device, such as a stick-pusher, has been imposed on the Falcons. No other corporate jet has obtained this distinction.

The Falcon's unmatched performance is backed by its absolute reliability. You need it when you hold nine world speed records. Swift and strong as a fighter, the Falcon can use

hundreds of short or even rudimentary runways which are often unsuitable for other corporate jets. Business can therefore take off more easily every day thanks to the Falcon's wide range of use and robust construction to fly safer, faster and more economically. So, if you have been endowed from up above with the golden business touch, why don't you reciprocate and fly the Falcon. It gives a golden touch to the skies.

A special information kit on the Falcon 100, 200 and 50 has been prepared. To obtain it, please send your card to Paul Delorme, Dassault International, 27 rue Victor Pauchet, 92420 Vauresson, France, or just call him at the following number: (1) 741.79.21.

Dassault International

NOTICE OF REDEMPTION

To the Holders of

Ramada Capital Corporation N.V.

6 1/4% Convertible Guaranteed (Subordinated) Debentures
due November 15, 1986

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Indenture dated as of November 15, 1971, under which the above-described Debentures were issued, Morgan Guaranty Trust Company of New York, as Trustee, has selected \$180,000 principal amount of Debentures for redemption on November 15, 1983, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest to said date, as follows:

Outstanding Debentures of \$1,000 Each of Prefix "M" Bearing Numbers
Ending in any of the Following Two Digits:

00 07 13 16 21 23 26 73 74 76

Also Outstanding Debentures of \$1,000 Each of Prefix "M"
Bearing the Following Numbers:

7 1037 2627 3427 3627 4027 4727 5027 5327 6427 7727 8427 9627
527 2627 3327 3527 4127 4827 5327 6327 7027 7827 8527 9727

The right to convert Debentures selected for redemption into Ramada, Inc. Common Stock will terminate at the close of business on November 15, 1983. The conversion price of Debentures is \$18.57 principal amount of Debentures for each share of Common Stock issuable upon the conversion.

On November 15, 1983, the Debentures designated above will become due and payable as aforesaid in accordance with the terms of the Indenture. All amounts at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid in present value and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Receive and Deliver Department of Citibank, N.A. (formerly First National City Bank), 111 Wall Street, New York, New York 10043 or (b) at the main offices of Citibank, N.A. in Amsterdam, Milan, Brussels, Frankfurt/Main, Paris or London, or the main office of Citibank (Luxembourg) S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check, draft or wire transfer to a United States dollar account with a bank in the Bank of Manhattan, City and State of New York. Coupons due November 15, 1983, should be detached and collected in the usual manner.

On and after November 15, 1983, interest shall cease to accrue on the Debentures selected for redemption. Following the aforesaid redemption, \$3,400,000 principal amount of the Debentures will remain outstanding.

RAMADA CAPITAL CORPORATION N.V.

Dated: October 13, 1983

Drillship for Sale
at Auction Completely
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Will positively be sold to the highest bidder
11 a.m., TUESDAY, NOV. 1, in Singapore

Only 8 wells (9 months service) since \$10,000,000.00
MAJOR REBUILD & REFIT (1980-81), including: • ABS
Special Survey #6 • Installation of electric propulsion • 4
new 399 Cat generator sets • New SCR system & other
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Length 380'; beam 64'; air-conditioned quarters for 100 men.

For complete specifications, operating records, terms of sale, and to
arrange for inspection contact the Joint Auctioneers:

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P.O. Box 5250, Beverly Hills
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Peace Centre, Singapore 0322.
Tel: 3391133 (4 lines).
Cable Address: WICMINTI Singapore.
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This advertisement appears as a matter of record only.

Profits in
sight
again at
Vauxhall

By Kenneth Gooding,
Motor Industry Correspondent

A THREE-DAY pay strike last month may have cost Vauxhall, General Motors' subsidiary, its first profit since 1978, according to Mr John Fleming, chairman.

But the company, now separated from GM's Bedford Trucks business, would be profitable in 1984, he said. The pay dispute, which cost the output of 4,000 cars, had made it "tough and go" whether his company would be profitable this year.

However, the Bedford Truck operations would still incur major losses, so GM's total business in Britain would continue to be in the red. In 1982, when Vauxhall and Bedford were still combined, trucks accounted for most of the £38m loss.

Mr Fleming predicted that next year Vauxhall would benefit from a more orderly car market and that the large extra bonuses paid to dealers in 1983 would disappear.

Vauxhall last week introduced extra bonuses of £135 each on the Astora and Cavalier models even though the company had given a particularly warm welcome to Ford's recent decision to "lead the industry out of disorderly marketing" by ending all such incentives.

Mr Fleming said: "We saw in some cases we were not as competitive with some models as we might be. So small bonuses were introduced. We sharpened our competitive edge."

Vauxhall's major capital investment project at the moment is a £25m reorganisation of the Ellesmere Port plant on Merseyside. This forms part of a £50m programme running to mid-1985 throughout the cars business. In all, Vauxhall and Bedford will spend £130m by that time, mainly financed by loans from the U.S. parent.

It was possible that in three or four years' time GM's new small car, the Vauxhall Nova/Opel Corsa, might be assembled in Britain, Mr Fleming added. Once the Nova-Corsa plant in Spain was working at full capacity the UK, a major market for the model, would be a logical place for "overspill" assembly.

UK may be main beneficiary
of energy conversion loans

BY MAURICE SAMUELSON

BRITISH companies are likely to be the main beneficiaries of an EEC plan to double the amount of money available for the encouragement of factory conversion from oil to coal.

The assistance takes the form of soft loans in a mixture of European currencies drawn from the budget of the European Coal and Steel Community (ECCS).

In 1983, the ECSC allotted 8m European currency units (Ecu) — worth about £3.5m — in interest rebates on about £24m worth of loans.

Next year's Community budget is expected to authorise about £11m Ecu to be used as loan rebates.

EEC officials said yesterday that this increase was being proposed mainly as a result of the keen interest shown by British industry, which had taken up half the loan money available in 1983.

In Britain, the loans supplement the £36m grants package available from the Industry Department for the past 2½ years. Most of this money, covering up to 25 per cent of approved projects, has now been earmarked, and the Government is being urged by the National Coal Board to make more money available.

Although the European loans are also open to applicants in France and West Germany, most of the interest in the first year has come from Britain.

The EEC's increased allocation for next year is due mainly to the existence of several large UK-based industrial companies, mainly in the chemicals sector, which are thinking of switching to coal for their heating and process needs.

Although the EEC loan scheme is officially separate from the UK Government grants package, the popularity of the former among UK companies will drop sharply if the grants are not renewed.

Preview for Hyundai Stellar

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

A CAR which is destined to become known as "the South Korean Cortina" will be given a European preview at Motorfair in London today.

The new model, called the Hyundai Stellar, will go on sale in the UK next spring.

The West Bromwich-based International Motors expects to sell 1,500 during the rest of 1984 and hopes for annual sales of 2,000 thereafter.

The Stellar will also be launched by the Hyundai dealer networks in the Netherlands and Belgium and, possibly late next year, will be used to spearhead Hyundai's first attack on the West German market.

Hyundai is South Korea's largest motor group, and since 1967 has assembled Ford Cortina car kits sent

from Britain — recently at the rate of 20,000 a year.

Although put under intense pressure by the Ford Cortina last year, Hyundai decided instead to develop its own family-sized model.

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Other outside help was used for the body design, which is the work of Italdesign of Italy.

The Stellar is made at Hyundai's

Ulsan factory, near Pusan, which was built in 1974 with advice on its construction from Mr George Turnbull, then a Hyundai vice president but now chairman of Talbot UK, and president of the Society of Motor Manufacturers and Traders.

Ulsan also produces the rear-wheel-drive small car, the Pony, which was introduced to the British market in February 1982. Since then, a network of 170 dealers has been developed.

International Motors hoped to sell about 6,000 Ponies this year but the total will be nearer 5,000.

Three versions of the Stellar, a 1.6 litre, five-seat saloon, will be sold in Britain. Prices have still to be fixed, but will probably be between £4,800 and £5,800.

Belfast
yard set
for losses
of £40m

By Andrew Fisher,
Shipping Correspondent

HARLAND AND WOLFF, the Belfast shipbuilding company, is likely to report losses of about £40m for the latest financial year to March 31, 1983, up from £26m for the previous 15 month period from January 1 1981 to March 31 1982.

The yard has just won an order worth some £2m to refit the Rangatira ferry, which returned from the Falklands this week. It is also carrying out work worth £6m on a floating harbour for the South Atlantic islands.

Increased losses, to be announced next month, reflect not only the poor state of the world shipbuilding market, but also restructuring costs, including redundancies.

The company, state-owned but not part of nationalised British Shipbuilders, has submitted a corporate plan to the Government, which envisages a cut in its working area from 330 to 240 acres. Government aid to the yard in 1982-83 totalled more than £45m.

The yard's order book is worth about £110m, not including a £30m tanker for British Petroleum, due to be delivered shortly. Its latest major order, announced in August, is worth £70m and involves four refrigerated ships for Blue Star Line.

In April, Harland announced 700 redundancies on top of last year's 1,000 job losses as part of the programme to cut costs.

All of these securities having been placed, this announcement appears for purposes of record only.

INTERNATIONAL BANK
FOR RECONSTRUCTION AND DEVELOPMENT

Washington, D.C.

U.S. \$ 200,000,000
11 1/4% U.S. Dollar Notes of 1983, due 1990



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Nomura International Limited

Orion Royal Bank
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International Limited

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Banco Guttierrez, Kerr, Bengoechea (Overseas)
Limited

Bank Leu International Ltd.

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Bank of Tokyo International
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Limited

Bank of America

Bank Francaise du Commerce Exterieur

Bank Générale du Luxembourg S.A.

Bank of America

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JOBS COLUMN

City banking—or how the rich folk make do

BY MICHAEL DIXON

AN ANGRY young man rang up a while ago. He was not, incidentally, protesting about my printing a table of salary figures for the third time in five weeks (the reason is that three survey reports have arrived in short order and it seems best to pass them on as fast as may be). Indeed he wasn't cross with me at all... to start with, at least.

He was doing well as a banker in London and had met and married another banker also doing well on her own account. She had subsequently got a new and better job with a bank in the City and had been given among her perks a cut-price house-purchase. A couple of years later he, acting independently of his misus, had applied to and been engaged by the same bank. And do you know what it had been and gone and done to him?

Seeing that his wife happened to work there as well, the bank was refusing to give him another cut-price home loan on top of the one it had given her. So he had been deprived of the second subsidised mortgage he had enjoyed when with his previous firm. Wasn't that sort of shabby treatment illegal under the sex equality act, he asked.

The Jobs Column did not have the answer. But it added that it didn't have much sympathy either. Nor, it suggested, would most of its

TOP PAID BANK STAFF ON LONDON MARKET — JANUARY TO JULY			
	Minimum	Average	Maximum
	£ £	£ £	£ £
General manager	60,000 (35,000)	60,000 (34,250)	60,000 (77,500)
Senior corporate finance executive	17,594 (17,600)	29,948 (23,775)	47,250 (29,950)
Bond issue manager	40,000 (18,990)	42,000 (30,818)	45,000 (39,500)
Senior leasing manager—bigger tickets	22,500 (24,000)	34,312 (34,125)	45,000 (40,000)
Foreign exchange/money manager	30,000 (25,700)	32,181 (37,580)	40,000 (46,500)
Senior lending officer	19,500 (21,500)	27,135 (25,750)	45,000 (42,000)
Loan manager	36,750 (18,000)	36,750 (30,030)	36,750 (42,000)
Senior leasing manager—smaller tickets	18,775 (16,000)	27,012 (24,975)	35,000 (30,000)
Senior foreign exchange/deposit dealer	12,500 (15,133)	19,110 (18,064)	33,000 (21,000)
Leasing manager—bigger tickets	15,500 (8,000)	23,225 (19,265)	32,000 (28,000)
Assistant general manager	18,000 (22,500)	24,555 (31,250)	31,110 (40,000)
Branch manager	19,275 (15,995)	25,388 (18,497)	28,500 (21,000)
Project finance manager	23,750 (19,500)	26,125 (23,800)	27,500 (27,500)
Senior investment manager	24,000 (17,990)	26,600 (21,495)	27,500 (25,000)
Financial controller	17,500 (15,250)	20,738 (22,125)	27,500 (31,000)
Assistant branch manager	8,500 (12,950)	14,004 (14,925)	27,500 (18,110)
Leasing manager—smaller tickets	12,500 (6,500)	17,875 (18,250)	27,000 (24,000)
Treasury/cash management consultant	9,000 (15,450)	14,597 (17,500)	25,760 (22,550)

readers especially those in industry. Eccentric though it may seem from the standpoint of City of London banking, quite a few of us didn't have even one subsidised mortgage. The conversation ended on a somewhat strained note.

The memory returns today because the accompanying indicators of top salaries on the London bankers' jobs market in the first seven

months of this year as observed by the Jonathan Wren recruitment consultancy, I can report the same consultancy's recent survey of perks provided by banks in the famous Square Mile.

But first to the table. It buts the state of the top end of the candidates' side of the market by listing the job-titles of the highest-salaried people

in various kinds of work who applied through Wren for banking posts between January 1 and July 31.

In two cases—general manager and loan manager—only one applicant appeared so the person's salary appears in all three columns under 1983. In the other 17 cases the table gives the minimum and average salaries among the several applicants in the same job

category—the range being requiring no more than six months qualifying service. A third charged 3 per cent interest or less, two fifths 5 per cent and the rest in between.

The maximum loan averaged almost four times annual salary.

In addition personal loans at rates averaging a bit less than 5 per cent were provided by 36.

Forty had non-contributory

pension schemes. Non-contributory life assurance up to three times salary, and private medical facilities were granted by 42. The private cover was extended to all staff by more than 30 and a similar number allowed free cover for dependents.

Company cars for senior staff were provided by 42; £17,000 gives an idea of the qualifying salary figure.

Houses or profit-sharing were in force at 28, with 20 including the entire staff.

Interest-free loans for season tickets were allowed by 41 with another 10 completely subsidising travel to and from work. The whole lot subsidised employees' lunches. Junior staff were paid overtime by 41 at time and a half weekdays and double time otherwise. Holiday allowances averaged almost four working weeks.

All of which may add point to the original Henry Ford's observation: "It requires less skill to make a fortune dealing in money than dealing in production."

Corporate Finance

Early responsibility for high calibre Chartered Accountants
£12,000-£15,000+Benefits

Our client is actively recruiting young Chartered Accountants seeking a position in merchant banking with significant commercial involvement and early responsibility.

Working in small teams, the successful applicants will be involved in acquisitions, mergers, management buyouts and the various methods of capital raising including rights issues, public flotations, USM listings etc. Client companies range from the small and rapidly growing to multi-nationals.

The bank is one of the most prestigious Accepting Houses with a reputation for innovation and professionalism. Self-confidence and personal presence are of prime importance as is a first class academic and professional background.

Interested applicants should telephone Nicholas Waterworth on 01-242 0965 or write to him at Banking and Finance Division, PO Box 143, 31 Southampton Row, London WC1B 5HY. Ref: 3340.



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Merchant Banker

23-28

Our Client is one of the largest European Merchant and Commercial Banks and has a considerable London presence in the International Syndicated Loan Market. They seek to strengthen their international finance team with an exceptional person who has, ideally, a year or more practical experience gained in an Accepting House or major international bank. Experience to date could be in International Corporate Finance, Investment or Commercial Banking etc.

You will be a graduate, ideally with ACA and/or MBA qualification. The ability to integrate into a small team working under pressure is essential as is a knowledge of credit appraisal, documentation and syndication. A second European language would be an advantage.

The job will include some overseas travel. Longer term career prospects are on an international basis. Our Client offers generous remuneration which will include the normal banking benefits.

Please write in confidence with full details to Colin Barry at Overton Shirley and Barry (Management Consultants), Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-583 1912.

Overton Shirley and Barry

Bank of Montreal is continuing the development of its Treasury activities, and now has two senior vacancies in its London money markets group:

MANAGER

For this position, we seek applications from candidates of considerable experience and maturity, who have sound knowledge of all aspects of these markets. The Bank is extending its activities into new fields, while continuing to fully participate in 'traditional' business. The successful applicant will combine an innovative approach with the ability to lead a team operating in accordance with the highest professional standards.



BANK OF MONTREAL
Established 1817

DEALER

We also invite applications from those with probably 5-7 years' experience in money markets for a position as a trader. This job will entail responsibility for a major currency book and will provide an ambitious individual with good opportunities for progress.

Remuneration in each case will reflect the importance of the position.

Please apply to:
Alan G. Lodge,
Vice-President,
Treasury Division,
Bank of Montreal,
9 Queen Victoria Street,
London, EC1N 4XN.

Innovative EDP-based Product from a Major International Bank in London
Product Development Manager

£20,000 - £30,000 with car and other benefits

The Role

- ★ Define, develop and negotiate terms of business and operating procedures with customers.
- ★ Design and implement new systems, managing the development of both software and internal procedures.
- ★ Ultimately, assume major management responsibility, either as Marketing Manager or Operations & Systems Manager.

The product is unique, applicable on a global basis to the bank's most important customers with considerable scope for development of the initial concept. The Product Development Manager will work within an autonomous subsidiary, with considerable responsibility and flexibility - in fact, the position offers the chance to utilise entrepreneurial skills often denied within a structured banking environment.

If your ambitions and skills match our profile, please contact Kevin Byrne on 01-242 0965 or write to him quoting ref 3341 and enclosing a detailed C.V. at the following address: Banking and Finance Division, The Michael Page Partnership, P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

SENIOR FINANCIAL ANALYST

This is an unusual and challenging opportunity to move into the Treasury Department of a major international organisation. We're Air Products, based in Walton-on-Thames, and a world leader in the production of industrial gases.

To qualify for the role, you should be aged 24+, a confident self-starter preferably with a banking or stock-broking background. With 2-3 years' post-graduate experience (or an MBA qualification from a recently completed course) you'll be ready to take your place in an enthusiastic, professional team.

Your principal responsibilities will be to undertake projects, investigations and analyses, particularly in relation to cash and currency management and credit policy; to monitor and review the performance of our pension fund in relation to agreed investment strategy; and evaluate new investment opportunities; to support other departments by carrying out financial reviews and lease/buy analyses.

There'll be considerable exposure to other aspects of Treasury operations, including liaison/negotiation with banks, brokers, insurance companies and our continental European companies; familiarity with international capital and foreign exchange markets would therefore be a distinct advantage. Reporting to the Manager Financial Planning and Analysis, you'll have some opportunity for travel.

Please write with a full C.V. to Linda Allen, Air Products Limited, Hersham Place, Molesey Road, Walton-on-Thames, Surrey or telephone for an application form - Walton-on-Thames 249477.

Air Products

BUSINESS DEVELOPMENT

Mining/Process Industries

An innovative and widely respected U.K. based Subsidiary of a large overseas Mining Group seeks a Senior Manager to be responsible for business development. He/she will report to the Managing Director and be a member of the Management Committee. The Company provides Consultancy and Contracting services to the Mining of Industry (hard and soft rock) and also to Organisations using allied processing techniques.

Candidates, probably in their 40's, should have a good degree in mining, metallurgy or chemical engineering, and be Chartered Engineers with membership of the relevant Institutes. A minimum of three years experience in a senior marketing role aimed at overseas customers in Third World countries is required. Previous proposal and negotiating experience is also expected. Knowledge of funding agency requirements for overseas projects and personal experience of preparing schemes, for both client and funding authority approval, is very desirable.

The Company is located in the Home Counties and assistance with removal will be provided if required. Salary in the region of £25,000 p.a., car and excellent additional benefits are offered.

Please write with a full c.v. in confidence to Mr C.R.N. Garfit

D. Bryan Andrews Associates
Management Selection,
St. Martin's House, 29 Ludgate Hill, London EC4M 7BQ

EUROBONDS

A leading European Bank, expanding their Bond operation requires:

A FLOATING RATE NOTE DEALER

c. £20,000 p.a.
1-2 years as a front dealer or deposits dealer, who needs room to develop, is aggressive, profit orientated and able to increase the market share.

STRAIGHTS TRADER

c. £20,000 p.a.
An experienced trader is required to run the forward Eurobond business. In-depth knowledge of the market is essential to handle a big increase in the portfolio over the next 12 months.

SALES

c. £20,000 p.a.
1-2 years' background in Eurobond Sales; or a trader who wants a positive move to Sales is essential. Must be keen to be active.

SPEAK TO SHEILA JONES

OLD BROAD STREET BUREAU LIMITED
STAFF CONSULTANTS
01-588 3991

NATIONAL ECONOMIC DEVELOPMENT OFFICE
Economic Director

NEDO is an independent, publicly-financed organisation responsible to the Government, CBI and TUC. Its purpose is to promote improved performance in the economy of the UK, with special emphasis on industry.

The Economic Director initiates and supervises the preparation of papers on economic topics for the National Economic Development Council and is responsible for the output of economic and statistical advice, analysis and information which provides background to the industrial work of the Office. He or she plans and supervises the long-term economic research programme and is responsible for the preparation of related publications. The Economic Director is assisted by and has responsibility for a team of professional economists and statisticians and support staff. The Economic Director will also be expected to maintain liaison with senior economists of the Government, TUC and CBI and to represent the Office on high-level outside economic committees.

The successful candidate should be

knowledgeable in the main economic topics arising in the Office, notably the determinants of economic growth, industrial structure and policy, macro-economics and applied international economics. He or she must be able both to comprehend and to express a range of economic arguments and to express technical material in a form comprehensible to the layman. A proven record of achievement in the academic field is essential. Previous public sector or industrial experience would also be an advantage.

Salary will depend on age, qualifications and experience but will not less than the rate for a civil service Under Secretary (currently £26,750 rising to £27,780 on 1 January 1984).

Applications including a full CV should be sent to:

Derek Truman
National Economic Development Office
Millbank Tower Millbank London SW1P 4QX

Closing date for applications: November 4th.

مكتبة المعلم

Executive Selection

Experienced or
Trainee Consultant

London

We help a broad range of clients to recruit executives from board level to middle management. Our work is not restricted to financial positions, nor to large public companies. Our style combines flexibility in approach with high professional standards and a dedication to servicing the client.

We need help ourselves. Demand for our services has built steadily, and now more than justifies an additional consultant for our team in London.

Experience of senior recruitment in a similar environment would be ideal, but if you can demonstrate your interest in our profession, we'll train you. In either case you will be under 40, with a good degree, perhaps a professional qualification, and

broad exposure to management disciplines and industry sectors. You will write and present convincingly, be at home in the board room or on the shop floor and have the ability to assess people objectively. A sense of humour, which can be maintained under pressure, will help. Remuneration is negotiable and might include a car.

To apply, write with a CV and convince me, Peter Williamson, that we should meet. For an informal discussion, call me on 01-831 7130. Please put reference ESC/1/FT on your envelope and letter. Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.

A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

FINANCE DIRECTOR (Designate)

South East of England £15,000/£20,000
+ car and benefits

The Company, part of successful public Group with a turnover approaching £15M, operates in the field of building, civil and electrical engineering. Candidates will be Chartered or Certified Accountants aged 30-40 with considerable previous experience of contracting either through the profession or preferably through industry. They will have the ability to liaise with non-financial management and make a positive contribution to the Company's

commercial approach to its contract tendering and financial management. The appointee will report to the Managing Director and rapid promotion to the Board will follow initial success. This is a challenging role in an old established but expanding company where senior management have the satisfaction of making a personal impact on the results. Career prospects are excellent.

Candidates should send adequate particulars initially to Box A8332
Financial Times, 10 Cannon Street, London EC4P 4BY.

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ORGANISATION

KANSALLIS-OSAKE-PANKKI

11th Floor, 100, Helsinki, Finland

In advance of the establishment of a full London branch early in 1984, KOP seeks to appoint the following key members of the Management team:

MONEY & F/X MANAGER

Candidates will be seasoned Treasury/F/X Managers with a thorough expertise in all trading markets. Special knowledge of the UK Gilt market and Financial Futures would be an advantage.

Both appointments present challenging development opportunities and are accompanied by attractive salaries and benefits.

Contact Norman Philip
who is advising the bank

OPERATIONS MANAGER

This will appeal to experienced bankers currently employed in a similar capacity. Strength in bank accounting is to be regarded as mandatory, as are good systems appreciation and organisational skills.

NPA Recruitment Services Ltd

60 Cheapside, London EC2. Telephone 01-248 3812 3 4 5

Management Consultants - Executive Search

Seasoned Bankers

Citibank is a leading bank in the United Kingdom. As part of our business expansion programme we are recruiting a number of commercial banking professionals.

We are looking for seasoned bankers with a track record of business development. We are especially keen to hear from applicants with an expertise in financing medium sized companies. You may well have a special interest in agribusiness, real estate or the high technology sectors.

Ideally you should have at least five years' marketing experience in commercial banking, a comprehensive understanding of the practice of

banking and, in particular, strong credit skills are essential. Familiarity with the taking and exercising of security interests is desirable.

The jobs attract a competitive salary, company car and valuable banking benefits including low-cost loans and mortgages, free BUPA and non-contributory pension fund. Relocation assistance will be given where appropriate.

If you are interested in a challenging and demanding career with a recognised market leader, please send your curriculum vitae to Lorraine Trainer, Group Personnel Officer, Citibank NA, 336 Strand, London WC2R 1HB.

...expanding in the UK

CITIBANK

BUSINESS DEVELOPMENT MANAGER

DEN DANSKE BANK

LONDON BRANCH

Licensed Deposit Taker

DEN DANSKE BANK—Denmark's leading bank—is seeking for its London operation a senior banking executive aged 30-40 to head up its business development team. The Branch is newly established and is expanding rapidly. The main task is to market a full range of banking services to the corporate sector.

Several years of international banking experience working for a commercial and international bank in the City is required.

An outward-going and energetic personality is essential. Career prospects are excellent. Salary is negotiable and will be competitive.

Write in confidence, enclosing c.v., to:
The General Manager
Den Danske Bank
Staple Hall, 87-90 Houndsditch
London EC3A 7AX

Lending Officer Shipping

Bank of America is seeking a professional ship finance officer to join its London-based Shipping Group which has credit and marketing responsibility for the Europe, Middle East and Africa Division.

The successful candidate will be responsible for managing an important part of the Bank's Scandinavian shipping portfolio.

Applicants should be university or business school graduates with at least 4/5 years general banking experience ideally in the Scandinavian markets and/or with an emphasis on ship financing. Fluency in Scandinavian languages would be an advantage.

Prospects for further career development are excellent and a competitive salary will be accompanied by an attractive package of fringe benefits including low-interest mortgages and non-contributory pension.

Write with full career and salary details to Peter Cole, Bank of America, 25 Cannon Street, London EC4.

BANK OF AMERICA

Direct Mail Customer Service

c.£16,500 + car — South London

Both the American parent and our client company, marketing-oriented, vibrant and successful, with a high reputation in the direct mail field, have enviable records of profit and growth. Direct mail does, however, carry its own problems, however superior the product range, however effective the marketing, however professional the fulfilment system, repeat business depends in the long run on individual customer liaison which can always be hampered by excessive mechanisation. The company is anxious to eliminate this problem in its infancy, hence this new appointment of a senior manager to control Customer Service. We are looking for a specifically experienced professional, who can motivate and control some forty staff so that they both make the most of available people and business. Intellect is at least as important as intuition, so the ideal candidate will have built a career on a good and relevant degree—and that career will almost inevitably have been with another direct mail company. There is promotion potential built into the job (with a company which traditionally believes in high rewards) and the position is in itself an excellent springboard for other moves within the direct mail sector.

Male or female candidates should send full career details in complete confidence to Terry Ward, quoting reference 3042/TW.

BROOK STREET EXECUTIVE RESOURCES LIMITED

68 Oxford Street, London W1R 1RB. Tel: 01-434 1661.

The Executive Selection Company of the BROOK STREET Employment Service Group

AEROSPACE PROTOTYPE AND MANUFACTURING DEVELOPMENT OPPORTUNITIES

A MAJOR PROTOTYPE DEVELOPMENT PROGRAMME
COMMENCING JANUARY 1984

The Van Dusen/Magnus design for a heavy-lift VTOL, lighter-than-air craft is now in the planning stage for full scale flying prototype and manufacturing facilities.

This major design and manufacture programme is based upon our successful 6-year R and D programme which has provided the proof of concept criteria for the first of a successful series of hybrid design.

POSITIONS AVAILABLE

Engineers and draftspersons—we require key design engineers and draftspersons in the following disciplines:

- Engine/rotor systems
- Airframe design
- Flight control systems
- Avionics and instrumentation
- Aeronautical/mechanical systems
- Inflatable products
- Design co-ordinator

Responsibilities will include the specification, design and assembly drawings for custom vehicle components and systems. Further, purchasing agents and experienced tradespeople in the field of aviation mechanics are required. This programme will encompass an initial hiring of 78 persons, followed by several hundred more in the months to come.

Compensation—Compensation will be commensurate with the responsibility assumed, the required education and experience, and will include relocation expenses for initial training in Canada and/or the USA.

INTERESTED APPLICANTS SHOULD REPLY TO:

The Personnel Manager,
c/o Brindley Advertising,
17, Upper Mount Street,
Dublin, 2, Ireland.

All applicants will be acknowledged.

MARKETING MANAGER

£17,000 + CAR

Due to the expansion of their London-based Merchant Bank, this established Merchant Bank is looking for a self-motivated Business Development Manager with a good track record in Merchant Banking.

You should be a graduate in your international corporate finance experience and keen to assume a management role. The usual fringe benefits apply.

For further details please call
MURIEL BURGESS-JONES
01-580 6291
WORTMAN RECRUITMENT SERVICES

STOCKBROKERS

Charles Stanley & Co. wish to appoint a partners' assistant to work with a senior partner in developing primarily private client business. Previous Stock Exchange experience is essential. This is a career position with excellent prospects.

Good salary.

Application forms obtainable from:
Mrs. J. Voak, Charles Stanley & Co.,
18 Finsbury Circus, London EC2M 7BL

FOREIGN EXCHANGE DEALER

One of the City's most prominent banks is seeking a foreign exchange dealer with several years market experience to take charge of its exchanges desk. The successful candidate will have a steady job record combined with the maturity and ability to travel on behalf of the bank as well as manage a small team of capable dealers.

INTERNAL AUDIT

We are currently working on three audit posts, all with well known City 'names'. Each position offers the opportunity for devising and implementing new systems for this important control function. Applicants are invited from auditors currently working in international banking in the City.

INVESTMENT FUND MANAGER

£30,000

We have been assigned to recruit senior portfolio managers with a banking, insurance or pension fund background. Our clients size and status is such that they are always interested in high calibre experienced fund managers. They currently have a particular requirement for a Yen expert and can offer an attractive financial package.

Please contact: David Little or Diana Warner

Jonathan Wren BANC RECRUITMENT CONSULTANTS
170 Bishopsgate, London EC2M 4LX • 01 623 1266

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Leading City Financial Information Services Company
Up to £25,000

The company is a highly respected market leader in the provision of financial information to the stock market, banks and major financial institutions and corporations. It is long established, part of a large public group and profitable. It is now entering an important new stage in its development with the establishment of major financial databases.

Your task will be to seek out market opportunities for the use of these databases, develop new products and lead the active selling to the financial community and major corporations. Overseas markets are also to be developed. This is an opportunity to build up a leading financial services business from an already sound foundation.

You must be from the financial services world with a good knowledge of the stock market. You must also have proved yourself in a selling and marketing role. Age: early 30's - early 40's. In addition to a basic salary of up to £25,000 there is a company car and the normal senior management benefits.

Your name will not be released until we have briefed you and you have given your consent. Please write to me, Geoffrey Hum, consultant to the company.

Business Development Consultants (International) Limited
63 Mansell Street
London E1 8AN

BDC

Senior Computer Manager

c. £20,000 + car + benefits

Our client is a well-known firm of chartered accountants with some 60 offices throughout the U.K. and with a large international practice.

The firm provides internally an extensive business systems service to both partners and clients and is planning to increase its use of distributed computing facilities. Accordingly, a major enhancement to existing hardware and software will take place over the next few years.

The firm now wishes to appoint a senior computer person who will assume full responsibility for implementing its future computing strategy throughout the practice. Reporting to a senior partner and probably based in BIRMINGHAM, the person

appointed will:

- have a confirmed analysis, design and implementation track record;
- already have managed the implementation of at least one major project in a medium-sized company with several locations.

The successful candidate is likely to be in the 30-40 age range and should, preferably, have a recognised accounting qualification or an appropriate degree.

Men and women are invited to write in strict confidence to T.D.A. LUNAN at the address below giving career details and a contact telephone number, or to telephone 07-730 0153 for a personal history form quoting reference number 338/FT.

urwick

Urwick Dynamics Limited
134 Buckingham Palace Road London SW1W 9SA

Experience not essential, flair fundamental.

INVESTMENT ANALYST

If you are the type of individual we are looking for, you'll know that investment is central to the function of a life assurance organisation. You'll also know that the Investment Analyst is a key figure.

You have a good honours degree (not necessarily in economics or accountancy) with about three years' experience in industry or commerce. You are numerate with a strong interest in and some knowledge of finance and investment - though perhaps not involved directly in that field at the moment. You have a definite flair for absorbing and assessing information and forming clear judgements.

If your application is successful you will be trained and developed on the job before being given personal responsibility for certain sectors of the equity market.

We will give you an excellent salary which we will review regularly. We also have a non-contributory pension scheme and a very attractive staff house purchase scheme. But above all we will give you a very worthwhile career.

Apply in writing with details of your background and experience to:

The Staff Manager,
The Scottish Provident Institution,
6 St. Andrew Square,
Edinburgh EH2 2YA.

SCOTTISH PROVIDENT

Corporate Finance Executives

Salary £12,500 - £20,000 + Benefits

Several of our Merchant Banking clients wish to expand and strengthen their Corporate Finance Departments.

These opportunities are at different levels of seniority and applications are invited from candidates as follows:

1. Executives aged between 30/35 years with several years Corporate Finance experience within Merchant Banking or Stockbroking.
2. Recently qualified Chartered Accountants or Solicitors, aged between 25/30 years who have had experience of Mergers, Acquisitions or tax matters.

Please telephone or write enclosing a curriculum vitae to Peter Lasham.

Jonathan Wren
BANK RECRUITMENT CONSULTANTS
170 Bishopsgate, London EC2M 4LX 01 623 1266

CHIEF MARKETING EXECUTIVE

Our company has recently acquired the exclusive rights to an outstanding plastic product.

A unique opportunity now exists for a dynamic, top-level marketing executive to lead and coordinate the marketing of the product worldwide.

Applicants should be experienced in international marketing and possess strong analytical ability and creative thinking. Experience in the field of plastic would be an advantage but is not essential.

This senior appointment carries an excellent salary and benefits with unlimited future potential.

Please reply to writing to:
J. C. Bradley, TWR Limited
1 Station Field Industrial Estate, Kidlington, Oxon.

GEOF FIELD

FX and MM personnel

37/39 Eastcheap
EC3
01 626 2931

SENIOR FOREX DEALER £25,000

This expanding American Bank is looking for a Senior Dealer who has a proven track record on spot and forward foreign exchange. In this department this is an excellent career opportunity. The usual bank benefits will be offered, plus the possibility of a car after an initial period. Age 27/37.

For further details please call
MIKE BLUNDELL JONES
01 439 4381

PORTMAN RECRUITMENT SERVICES

LFFE MARKET DEALER £13,500

A well-known American Bank requires a LFFE Dealer who has experience on Eurodolars and Gilt, maybe Short Sterling. You should be a self-starter, highly motivated, and have that feel for the market. A mortgage and bonus are offered to the successful applicant.

For further details please call
MIKE BLUNDELL JONES
01 439 4381

PORTMAN RECRUITMENT SERVICES

First choice for top management

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Professional & Executive Recruitment

Senior Accountants

Fluent Arabic/English

£23,000 tax-free
Saudi Arabia

Our client is one of the fastest growing trading companies in Saudi Arabia with a distinctive reputation for dependability and service. Associated with many international companies, operations mainly cover oil, gas and transportation, food operations and appliances and consultancy services. They now wish to appoint several Financial Controllers to each division to take complete control of a company's activities. Considerable responsibility will be afforded in the appointment and the post will involve the development and maintenance of a financial role.

Challenging opportunities for qualified accountants with several years senior financial management experience. The ability to speak and write Arabic is essential. In addition to an attractive tax-free salary, career benefits will include free furnished apartment, car and long-term contract on married and single status.

Send full cv to: Milton Way, PER Overseas, 4-5 Grosvenor Place, London SW1X 7BR.

Commercial Manager

Printing Industry

J & C. Moore Limited, a subsidiary of the Littlewoods Organisation, is a Liverpool based multi-process printing/print finishing company with a workforce of 1,000 people. We are seeking to appoint a Commercial Manager who will main responsible for the development and the management of administrative departments, including sales, accounts, finance, production control, purchasing, estimating and computer operations. The Commercial Manager reports directly to the Chief Executive and is a key member of the senior management team. There is therefore an opportunity to make a significant contribution to the company's policies and future development. An attractive salary is offered together with generous fringe benefits and excellent opportunities for promotion.

For further details please write to: Mr. J. M. Granville, Chief Executive, J & C. Moore Limited, 200 Edge Lane, Liverpool L7 9RZ.

Ref: 27

Company Secretary

Attractive salary + car

South Birmingham

PER, Moonfoot, Sheffield, S1 4PQ, Central 24 hours answering service (0142) 750157.

Applications are invited from both men and women.

Portfolio Managers Fixed Interest & Equity

Our Client is a London based mutual general insurance association with offices throughout the UK and in 18 countries overseas. Funds under management are in excess of £160 million, of which about two thirds are invested in Australia, reflecting the association's interests there.

Two people are required:

- a Gilt & Fixed Interest Portfolio Manager, aged 27-42, salary c. £17,500, ref: 1443.
- an Equity Portfolio Manager with experience in Australian equity dealing, aged 24-30, salary c. £15,000, ref: 1444.

Please write in complete confidence giving full career details to Shirley Boswell, quoting the appropriate reference number.

Odgers

MANAGEMENT CONSULTANTS
Odgers & Co Ltd, One Old Bond St,
London W1Y 3TD 01 499 881
Telex 653498

FINANCIAL CONTROLLER

Banking operations

City of London

c. £17,000

Our client is the London office of a major regional US bank. A new commercial banking branch is now being established, and an accountant is sought to manage the setting up and actual operation of financial reporting procedures and systems.

The ideal candidate will be a chartered accountant in the age range 28 to 35. It is essential to possess knowledge of banking procedures and associated DP systems.

Remuneration is negotiable, and benefits are generous and flexible. This is an ideal opportunity for an accountant with practical experience seeking a career step forward and increased executive experience.

Please write to Michael Ping enclosing a detailed CV quoting reference FT/513/Pat-

E&W

Ernst & Whinney Management Consultants
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Senior Investment Analyst

This is a key post in the investment department of one of Britain's largest industrial groups.

The relatively small and highly motivated investment team has demonstrated consistently successful performance in the management of the group's pension fund assets, currently £600m and growing rapidly.

The senior investment analyst is responsible for the application of high level analytical skills and judgement across all sectors of the UK equity market.

The post offers total involvement in the investment process, including the authority to recommend fund management decisions. Experience will enable the successful candidate to attain a high degree of autonomy and to undertake dealing transactions.

It requires at least 3 years' progressive experience in investment analysis, preferably with associate membership of the Society of Investment Analysts. Age 25 - 30. Salary £12,000 - £15,000, related to experience. Central London location.

Please write in strict confidence with full personal and career details, quoting ref 746/FT, to:

Philip Smith

Manpower Consultants
85-87 Jermyn Street, London SW1Y 6JD

Careers in Financial Futures

Dealer, Interest Rate Futures

Towards £18,000 plus bank benefits

Leading N. American bank seeks a specialist to handle a challenging role - operating hedging and jobbing strategies and marketing futures to clients.

Assistant LIFFE Floor Manager

c. £15,000 plus bank benefits

Major bank is recruiting a registered trader with experience of spreads and an understanding of U.S. monetary policy to assume No. 2 post on LIFFE.

Broker, Gilt Futures

Towards £14,000 plus bonus

Active financial futures desk of established commodity brokers requires a dynamic individual with a thorough understanding of gilts.

For further details please contact Robert Kimbell, in complete confidence, on 01-481 3188.

Charterhouse Appointments Limited,
Europe House, World Trade Centre, London E1 9AA.

GLC

Working for London

Head of Finance Division

Transportation & Development Department

A qualified accountant with extensive knowledge and experience in financial and management accounting is sought to head this important division within the Programme Management and Resources Branch.

The Head will be responsible for the financial management of the department and act as adviser to the Programme Controller and Departmental Management Board on financial matters. Principally, this will involve the operation and management of cash, accounts and payables systems, assisting with the preparation of annual estimates and the development of financial control and monitoring systems and advising on the allocation and management of resources on the department's programmes of work. The area of work is currently under review and the salary quoted includes a special responsibility allowance.

Experience of resource allocation systems, budgetary processes, project and programme management, financial forecasting and information systems is essential. Flexibility, drive and a high degree of initiative, together with the ability to build sound working relationships within the Council and with contractors and auditors are also vital.

Salary: £19,500-£22,277 inclusive.

For an application form, to be returned by 4th November 1983, write to: Transportation and Development Department, GLC, 4th Floor, 4548, The County Hall, SE1 7PB or telephone 01-633 2014.

The GLC welcomes applications from all sections of the community, irrespective of an individual's sex, ethnic origin, colour or sexual orientation and from people with disabilities who have the necessary attributes to do the job.

The GLC is an equal opportunities employer

TOP EXECUTIVE APPOINTMENTS

from £16,000 to £60,000

As the leaders in the field of executive job search, we specialise in identifying appointments in the unadvertised vacancy area.

Selected high calibre executives are offered our unique success-related fee structure. Contact us today for a free confidential assessment meeting.

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Executive Management Services Limited
73 Grosvenor Street, London W1. 01-493 8504.
(24 hour answering service)

Imperial Group
Pension Fund Investments
Bristol

CHARTERED SURVEYOR

Imperial Group Pension Fund, one of the longest established and most successful Pension Funds in the private sector, is seeking a Chartered Surveyor to join a small integrated investment team managing assets of £1,000m, including a substantial and varied property element. A good academic record is essential and some experience with an investment institution is desirable. Preferred age range 24-30. The job will concentrate initially on the investment aspects of property, most of which is managed by retained agents. However, the holder will be encouraged and expected at an early stage to widen and enhance his/her career through involvement in all other aspects of Pension Fund investment. An excellent salary and benefits package will be provided including relocation assistance where appropriate.

Applications with full c.v., which will be treated in strict confidence, should be marked "Personal" and addressed to

The Investment Manager
IMPERIAL GROUP PENSION TRUST LTD.
Lombard Street, Bristol BS99 7JR

BANKING OPPORTUNITIES

Manager Business Development 34/42 c. £25,000
Manager business development to promote commercial lending, ECBD and acceptance credits in UK and Ireland sought. 77 degree, preferably working for an accepting house and with one European language.

Forex Spot Dealer 23+ £12,000 to £17,000
U.S. bank seeks aggressive spot forex dealer (most currencies) with experience in foreign exchange, experience in working in a bank environment. Professional and busy dealing room environment.

Senior Credit Analyst minimum 30 c. £15,000
Senior analyst required by prestigious bank to develop credit analysis section. Candidates who will probably be a graduate, must have working credit analysis experience (mainly UK experience) and be able to work in a bank environment. U.S. bank credit analysis training a necessity. This is a career opportunity for right person.

Credit Control 29/32 £11,500 to £13,000 max
Candidate with UK corporate credit background required by expanding Far Eastern bank. Principal function is to control and develop credit administration but credit analysis and marketing experience also required. There is potential for advancement in this bank.

LJC BANKING

146 Bishopsgate, London EC2M 4JX: 01-377 8600

FRN DEALER

An experienced FRN Dealer is required to join a newly established trading team. The successful candidate will be given the opportunity to develop and expand an FRN department. We offer a competitive salary and an excellent fringe benefit package.

EUROBOND SALES EXECUTIVE

A Eurobond Sales Executive with minimum of three years' experience is required to join a newly established sales team. We offer a competitive salary and an excellent benefit package.

Please forward C/V's to:
Mr. Colin Lusty, Chief Eurobond Dealer,
Mitsubishi Finance International Limited
6 Lombard St, London EC3V 9AA
Tel: 726 4500

INSTITUTIONAL
SALES

Small/medium-sized stockbrokers seek further experienced salesmen. Small group would be considered. Existing clients helpful but not essential. Main requirement of individuals is market consciousness and an active mind. Terms will be flexible.

Write with details to:
Box A8331, Financial Times
10 Cannon Street, London EC4P 4BY

U.S. Equity and Eurobond Market

New and expanding securities house has vacancies for American Equity Sales Executives and Eurobond Sales Executives to establish respective departments. Applicants with outstanding reputations should have at least 3 years' experience in their fields. They should also be ambitious and able to generate business on their own initiative.

Independent Fund Managers

We can offer you office space, a low cost dealing facility, and research plus other attractive benefits.

Please reply to Box A8328, Financial Times
10 Cannon Street, London EC4P 4BY
if you have any interest in either of these advertisements

Authorised Clerk

Phillips & Drew have a vacancy for an experienced institutional equities dealer. Preferred age 20-30. We offer a competitive salary, bonus, £1 per day luncheon vouchers and annual season ticket loan. There are initially 20 days' annual holiday entitlement.

Please write, enclosing curriculum vitae, to:
Miss Deborah Harman
Phillips & Drew
120 Moorgate, London EC2M 6XP

Director £20,000 Glasgow

Employee Benefits and Personal Financial Planning

Stewart Wrightson are leading Consultants in the field of Employee Benefits and Personal Financial Planning. We are represented in the major centres throughout the UK and are able to offer clients a full range of consultancy, actuarial, administration and financial services. We are now seeking to appoint a director to manage the development of this branch of our business in Scotland.

The successful applicant will:
• be able to demonstrate a successful work record, particularly in new business acquisition at the highest level
• provide management skills with particular emphasis on motivation, communication and planning

**Stewart
Wrightson**

• have appropriate professional qualifications
• presently hold a responsible position in a major consultancy, probably with past experience in other sectors.

The remuneration package includes a company car, a non-contributory pension scheme, an employee share scheme and a generous relocation expense package will be available. There are real prospects for career advancement.

Please write in the first instance setting out brief details of your achievements to date together with your aspirations to:

Gordon Davidson, Managing Director,
Stewart Wrightson (Scotland) Ltd.
48 Vincent Street, Glasgow G2 5TP.

Initial interviews will be held in London and Glasgow.

Hoggett Bowers
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Corporate Finance

Edinburgh, from £20,000+car

The opportunity to lead a new function which is part of the planned development of this leading financial organisation. Applicants, graduates, aged 30 plus, will have at least four years' relevant experience gained within a merchant banking or similar financial institution and a successful record to date in advising clients on all aspects of corporate finance. Professional ability and interpersonal skills are essential to maximise the potential business opportunities created by the existing operation. First class conditions include non-contributory pension, profit sharing, low interest mortgage facilities, and the opportunity for further personal advancement.

J.C. Brown, Ref: 31644/FT. Male or female candidates should telephone in confidence for a Personal History Form 041-221 2585, 127 St. Vincent Street, GLASGOW, G2 5JR.

Corporate Finance
Junior Management

Expansion of the Corporate Finance Division of Standard Chartered Merchant Bank Limited has created a vacancy for a young professional or Assistant Manager level.

Applicants should be Chartered Accountants and/or Lawyers with two to five years' post-qualification experience gained in a City environment of acquisitions and new issues. Experience of leasing would be an advantage.

Standard Chartered Merchant Bank, recently enlarged by the acquisition of MAIBL, is a well established merchant bank with offices in excess of 115 countries. The Bank is a wholly-owned subsidiary of Standard Chartered Bank PLC, Britain's largest independent international bank which has over 1900 offices in more than 60 countries and subsidiary and associated merchant banks in many important financial centres overseas. Candidates should be prepared to serve overseas on assignment from London if required.

An attractive salary, substantial fringe benefits and excellent career prospects are offered.

Written applications, with a full curriculum vitae, should be sent in confidence to:

The Personnel Manager,
Standard Chartered Merchant Bank Limited,
33-36 Gracechurch Street, London, EC3V 0AX

Standard Chartered Merchant Bank Limited

PUBLIC RELATIONS

Someone who wants to accelerate a successful career, is probably a good fit for this position. To work with a person constantly, need of a leading consultancy, but also with him in corporate and financial relations business in January.

White Box A.8332, Financial Times,
10 Cannon Street, London EC4P 4BY.

The City-based European subsidiary of a large international financial corporation is rapidly expanding its involvement in bringing Eurobond straight and equity related issues to the market.

A Business Development Manager is now sought to further enhance the Company's enviable reputation by assisting in the development of marketing strategy and mobilising activities and relationships with other Lead or Co-Managers.

Aged 28-30 years, you will have a legal or accountancy qualification and probably 2-3 years' experience in the Syndication department of a Merchant or Investment Bank.

(This position is open to both male and female applicants.)

Cripps, Sears

CHIEF
ADMINISTRATOR

Small London-based subsidiary of leading oil company wishes to appoint administrative manager to co-ordinate existing routines and ensure smooth integration of new equipment and facilities such as computing under the direction of the managing director, as well as undertaking some special assignments at the latter's request.

The person appointed will have oil industry experience, be a good organiser, able to gain the confidence of existing staff and able to advise on productivity improvements as the company develops. Candidates must have a sound appreciation of the evolving field of office technology relevant to the needs of the professional staff and thus be able to make constructive proposals for advancements.

Please send full details of age, experience and salary expectations to:

THE MANAGING DIRECTOR, PETRONAL,
129/130 PARK LANE, LONDON W1Y 3AD

A direct line to the executive shortlist

InterExec is the only organization specialising in the confidential promotion of senior executives.

InterExec clients do not need to find vacancies or apply for appointments. InterExec's qualified specialist staff, and access to over 100 unadvertised vacancies per week, enable new appointments at senior levels to be achieved rapidly, effectively and confidentially.

For a normally confidential meeting telephone:

London 01-930 50418 19 Charing Cross Rd, WC2
Bristol 0272 277315 30 St. Paul's St.
Edinburgh 031 552 277315 30 St. Paul's St.
Leeds 0532 459243 12 St. Paul's St.
Manchester 061-236 8409 Pauline Hse, Pauline St.

The one who stands out

Dynamic, creative, young, qualified or near-qualified

ACTUARY sought for expanding

CONSULTING ACTUARIAL PRACTICE

London, West, London

Applications should be written in the first instance
Please address applications to:
Nigel Sloane, Nigel Sloane & Co., 877a Finchley Rd, London NW11 8RR
All applications will be treated in strictest confidence

CASINO
MANAGEMENT
COMPANY

If you are interested in managing the casino in an hotel which will be built on a beautiful Indian Ocean island and operated by an international hotel chain, please write to:

MR KHAN
VIA CANTONALE
CH-6515 GUDO
SWITZERLAND
Fax: (03) 31 43 63
Telex: 846198

CANADIAN IMPERIAL
BANK OF COMMERCE

TRUST MANAGEMENT

Canadian Imperial Bank of Commerce requires individuals with the qualifications and experience necessary to assume senior management positions in its subsidiary Trust Companies located in The Bahamas and Cayman Islands.

Preference will be given to those applicants with appropriate experience in an offshore tax-haven. Responsibilities will include all aspects of management of medium-size Trust Companies and involve contact with international clients utilising offshore financial services in The Bahamas and Cayman Islands. Applicants should be professionally qualified with at least 5-10 years' experience at senior management levels.

Attractive salary and benefits are offered.

Detailed résumé should be forwarded to:
The Personnel Manager, Canadian Imperial Bank of Commerce,
55 Bishopsgate, London EC2N 3NN.

INTERNATIONAL BANK

seeks
**MONEY MARKET
CONSULTANTS**

to advise multinational companies in Europe

One Deputy General Manager

One Money Market Consultant

Must have some Money Market experience and be able to speak and write concisely in the English language. Some travel would be involved.

Please send letter with an attached résumé to:
Consulting Division, P.O.B. 722, Luxembourg
Telephone: 475505

Banque Nordeurope S.A.

SENIOR LENDING EXECUTIVE

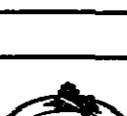
We are a multinational bank active in the Euromarkets with a particular lending emphasis towards the Nordic countries. Our shareholders are: Caisse des Dépôts et Consignations, Paris, Fællesbanken for Danmarks Sparekasser A/S, Copenhagen, Girozentrale und Bank der österreichischen Sparkassen AG, Vienna, Skopbank Helsinki, Swedbank Stockholm, Union Bank of Norway Ltd., Oslo, and WestLB, Luxembourg.

We are looking for the head of our credit department who should have a professional qualification and several years of experience at a senior level in international banking, particularly in the lending field.

The successful candidate will be about 30-35 and will report directly to the Managing Director. He will be responsible for the development of new lending opportunities as well as the coordination of the existing business. This will also involve working closely with the shareholder banks as well as associated institutions.

Remuneration will be negotiable and commensurate with the high qualification and experience demanded. Candidates should apply in writing enclosing a curriculum vitae to:

Mr. D.R. Engel
Managing Director
Banque Nordeurope S.A.
47 boulevard Royal
L-2012 Luxembourg



ASTLEY & PEARCE (BENELUX) S.A.

We require staff with international money market

experience to assist in our Luxembourg operations.

Knowledge of German would be useful.

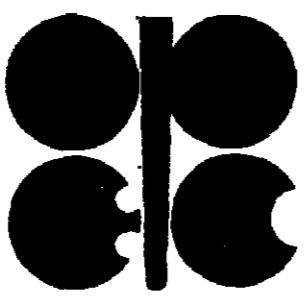
Apply: Mr. J. Cook, Astley & Pearce (Benelux) S.A.
13 Rue Notre Dame, Luxembourg

MANAGING DIRECTOR

We can offer an exceptional opportunity to the person with experience as a Managing Director of a company with international scope. We specifically need the person who has developed their career through the Marketing/Sales discipline and who is capable of continuing the growth of a large (£200-million+ turnover), highly successful, London-based international company. Our preference is for the person whose experience has been in consumer-orientated products.

Please send C.V. to Box A8323, Financial Times,
10 Cannon Street, London EC4P 4BY

International Appointments



OPEC SECRETARIAT VIENNA

has openings for nationals of its member countries

(Algeria, Ecuador, Gabon, Indonesia, Islamic Republic of Iran, Iraq, Kuwait, S.P. Libyan A.J., Nigeria, Qatar, Saudi Arabia, United Arab Emirates & Venezuela.)

Highly qualified individuals with a broad knowledge in the Energy and Oil Industry are sought for the following challenging and rewarding positions:

HEAD, ECONOMICS & FINANCE DEPARTMENT

Education: University Degree in Economics

Age: 35-50

Experience: Minimum of eight years' experience, of which at least three should have been spent in positions of high-level administrative responsibility involving economic research. Experience should include participation in conferences and high-level meetings. General knowledge of the economics of the petroleum industry required, preferably with experience in economics departments of oil ministries or national oil companies. Fluent command of written and spoken English essential.

HEAD, PERSONNEL & ADMINISTRATION DEPARTMENT

Education: University Degree in Accounting, Business or Public Administration or Personnel Management.

Age: 35-50

Experience: Minimum of ten years' experience, of which at least five should be in positions directly related to the oil industry, and three in high-level administrative positions. Previous experience in supervising budgeting and accounting, manpower planning, recruitment and personnel administration as well as administration of staff training and development programmes. Fluent command of written and spoken English essential.

HEAD, PUBLIC INFORMATION DEPARTMENT

Education: University Degree in Public Relations, Media Studies, Information Science or Business Administration.

Age: 35-50

Experience: Minimum of eight years' active engagement in the fields of PR, information or journalism. Knowledge of energy-related industries essential. Ability to plan, co-ordinate and implement PR campaigns, together with the capacity to communicate effectively and inspire personnel essential. Fluent command of written and spoken English essential.

Very attractive tax-free salaries; benefits include family allowance; housing allowance; education grant; free medical insurance; generous leave allowance; paid home leave every two years; installation and removal allowances. Selected personnel will enjoy DIPLOMATIC STATUS for the duration of employment.

Applicants should send a detailed curriculum vitae with job history and salary progression, as well as recent photograph, to:

OPEC Personnel and Administration Department, Obere Donaustrasse 93, A-1020 Vienna.

Senior Managers Partnership Potential

East and Central Africa

Our client is one of the leading international firms of Chartered Accountants with a strong presence in the African Continent. As a result of continued growth, the firm has identified a requirement for two high-calibre Senior Managers with a strong track record in audit, general practice or management services.

Candidates, aged 28-36, will be commercially aware Chartered Accountants, possessing strong communicative and practice development skills who have demonstrated rapid career progression in either Public Practice or Industry/Commerce.

Whilst the appointments will initially be for two years, there are excellent partnership prospects in the short or long term.

The lifestyle in Africa is unique and offers exciting opportunities for travel, sport and outdoor pursuits in a good climate.

Furthermore, our client is offering highly competitive salaries as well as free accommodation, a car and generous benefits in all locations.

Applicants should contact Allan Marks, quoting ref. 430, at Michael Page Partnership, P.O. Box 143, 31 Southampton Row, London WC1B 5HY. Telephone: 01-405 0442 (relex 296091). All applications will naturally be treated in the strictest confidence.

TP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Dow is one of the leading international chemical companies with an enviable reputation for growth, innovation and profitability. We need your support as

Cash Manager

Our activities in Germany cover Industrial Chemicals as well as specialty chemicals plastics and pharmaceuticals. Our turnover exceeding DM 1 Billion, plays a major part in the worldwide success of our organization.

Based in Frankfurt and reporting to the Treasurer for Dow in Germany, you will be responsible for the day to day funding of our operation and manage cash as well as currency exposure. Other activities include financial planning and reporting along with assisting the Treasurer in negotiating with banks to generate financing for new capital investment programmes.

Aged 28/32, preferably German, you will be currently working either in a bank or in the financial department of an industrial corporation and have gained experience in foreign exchange and money markets, credits and accounting. You are fluent in English.



Career prospects are excellent both in Germany and elsewhere in the Dow network.

Please write giving full details of your background and experience to:

DOW CHEMICAL Service GmbH
Att. Mr. Dave Hutchison Poststrasse 1, 2160 Stade
West-Germany.

Fixed Interest-Bonds

Trainee Institutional Sales Executive

Salomon Brothers International has an opening for a trainee sales executive to expand their highly successful Bond department serving Institutional clients.

The person we seek must have at least 2/3 years' experience in banking/finance and, ideally, be fluent in German. The individual must be self-motivated, interested in sales and desire to succeed in a highly competitive market.

Based in London, the appointment offers broad international opportunities and the potential for an outstanding career, matched by an attractive remuneration package.

Applications, with details of career to date, should be sent to Mr Ronald Pearrow.

Salomon Brothers International

One Angel Court, London EC2R 7HS

AMERICAN EXPRESS

Middle East

Continued expansion in the Middle East markets of our travel-related services activities comprising card, travellers cheque and travel business have led to the creation of the following positions:

DIRECTOR STRATEGIC BUSINESS DEVELOPMENT

Based in Bahrain and reporting to the General Manager, Middle East, this position should suit candidates capable of assuming senior-line responsibilities in a dynamic environment within two years. Critical requirements include an MBA or equivalent degree; fluency in Arabic and English languages; and at least three years' commercial experience, preferably in a financial services environment.

AREA SALES MANAGERS

Reporting to the Marketing Director, several positions in various Middle East locations for the development of card and travellers cheque markets in the Gulf and Eastern Mediterranean. Requirements include age range of 25-40 years; fluency in Arabic and English languages; minimum GCE "A" level or equivalent education; and the motivation and entrepreneurial flair to grasp opportunities in fast-growth markets. Some sales or financial services experience preferred.

Attractive compensation and benefits terms will be offered to successful applicants and induction training will be arranged as required.

Applicants should write to V. Stanic at the following address, enclosing full curriculum vitae.

American Express International Inc.
c/o 171-173 Preston Road,
Brighton, Sussex BN1 6BX

International environment

for our headquarters located in

PARIS

we are seeking

GRADUATES (MBA OR EQUIVALENT) FOR FINANCIAL POSITIONS

In the areas of:

Financial Planning - Financial Services

Treasury Operations - Business Controls

(Ref. DF/FT)

FOR PLANNING POSITIONS

In the areas of:

Manpower Planning (Ref. DPE/FT)

Inventory Management (Ref. DPG/FT)

The requirements are:

- ability to communicate and to work in an international environment.
- initiative and drive to work effectively with minimum supervision.
- aptitude and ability to work with Data Processing equipment.

Candidates must have the ability and inter-personal skills to work in the international environment of our European Headquarters where the working language is English.

Applicants should address their C.V. to IBM EUROPE, Recruiting Department, Tour Pascal, Cedex 40, 92075 Paris la Défense (France) quoting the position reference and for those applicants outside the EEC, a copy of their work permit.



Circa £25,000 after tax

Manager- Credit & Marketing

Scandinavian Far East Limited

We are the leading Scandinavian international banking group established in London in 1969 by major banks in the Nordic countries providing a full range of wholesale, commercial and merchant banking services.

We employ over 40 people in our wholly owned subsidiary in Hong Kong which has recently been upgraded to a Licensed D.T.C. As part of our expansion we require an additional manager to join the existing marketing team.

Ideal candidates will be aged in their late 20's or early 30's, have a good general banking background and be skilled in credit evaluation. They should already have had experience of corporate calling in one or two countries in Asia and have an understanding of banking services required in the Far East.

This is intended to be a career appointment. After a period in our Head Office in London the successful candidate will be expected to undertake a tour in Hong Kong. Thereafter he/she should continue his/her career in the Scandinavian Bank Group which employs 650 people throughout the world.

An attractive remuneration package including a tax free salary negotiable around the equivalent of £25,000 plus free accommodation together with other valuable benefits will be available.

Please apply enclosing a c.v. to:

David Woodward
Scandinavian Bank Limited
Scandinavian House
2-6 Cannon Street
London EC4M 6XX

Scandinavian Bank Group

**INTERNATIONAL APPOINTMENTS
ADVERTISING APPEARS EVERY THURSDAY**

Accountancy Appointments

FINANCE MANAGER

Aged 26-32 c.£13-15,000 + Car
Based Home Counties (West)

Our client is a medium sized and very profitable group with substantial City backing. Continuing expansion and the search for potential acquisitions, with the likelihood of a USM placing in the near future, has given rise to a requirement for a Finance Manager.

The position reports to the Finance Director and carries responsibility for the day to day management of the finance function. This will involve the presentation of management and financial accounts to strict deadlines, cash management, the preparation and monitoring of forecasts, maintenance and development of accounting systems which are fully computerised, and the management of 5 staff.

Prospective candidates must be qualified accountants and be familiar with computerised systems. As a member of the senior management team, a commercially minded individual will have ample scope to make a positive contribution to the improvement of the business. A successful candidate needs to be capable of growing with the Company and taking increasing responsibility.

Interested applicants who can display drive and enthusiasm should apply to Peter Flammiger at EMF International, Northumberland House, 303-306 High Holborn, London WC1V 7JZ (Tel: 01-405 9581).

EMF International

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Chief Accountant

Food Industry

West of London, c.£20,000 + car

A key appointment within a major food manufacturing Company, supplying a wide range of products, including numerous brand leaders to the retail and wholesale trade. Responsibility is to the Finance Director for the management of the accounting function, ensuring that the financial records and controls meet all professional, legal and corporate requirements. Additional key areas of control cover treasury, including banking relationships, group taxation and insurance. The position and career prospects will appeal to high flying Chartered Accountants, aged broadly 30 to 40, preferably with a large professional practice background and senior financial management experience with a medium to large scale manufacturing business using computer based systems.

B.F. Hoggett, Ref: 10366/FT. Male or female candidates should telephone in confidence for a Personal History Form 0532 448861, Minerva House, East Parade, LEEDS, LS1 5RX.

Oil Tax Manager

Our client, a leading international firm of chartered accountants, is looking for a tax specialist to join its Energy tax group at manager level.

Candidates will be qualified accountants, or have a relevant Revenue background, (aged about 30) with at least 5 years' corporate tax experience. They will be able to communicate effectively at all levels. Previous oil tax experience is preferred.

The position offers an excellent opportunity to the successful candidate to acquire high level experience in this demanding and challenging area of taxation.

The successful candidate will support two principals in the Energy group and will assist in the provision of tax advice relating to complex problems in the oil industry, and will also be responsible for compliance work and negotiations with the Inland Revenue on behalf of the firm's oil industry clients.

Salary will be commensurate with experience and the responsibility of the position offered and a car will be provided.

Please apply in confidence giving personal and career details and mentioning any company to whom you do not wish your application to be forwarded to: Sue Walworth.

IAS

LONSDALE ADVERTISING SERVICES LTD

Hesketh House, Portman Square, London W1H 9FG Tel: 01-486 5877

Finance Director

Oxfordshire

Our client is a young, privately-owned company in the high-technology sector. The 1983 turnover is expected to be £3 million while a £5 million turnover is forecast for next year. This unparalleled growth, internal re-organisation and further expansion plans have created the need for a high-calibre Finance Director to participate in the company's future development.

Candidates, ACAs/ACMAs will be in their mid-30's with a proven track record in a marketing or progressive service industry environment.

Reporting to the Managing Director, the position is responsible for the accounting function, which is due for re-organisation along more efficient and formal lines, therefore technical expertise and organisational ability are essential. To assist with the corporate development programme, the role will involve acquisition studies, bank negotiations and liaising with external parties.

For someone with a strong personality, initiative and entrepreneurial flair, the rewards of this challenging position are excellent - both in terms of remuneration and career fulfilment.

Candidates should write to Philip Cartwright, ACMA, enclosing a comprehensive curriculum vitae, quoting ref. 949, P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

£20,000 + car

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

FINANCE AND ADMINISTRATION CONTROLLER

Age 28 - 35

London SW6

up to £17,500 + car

Due to rapid and continuing growth a successful company of importers and Distributors to Major Departmental Stores and independent retailers and part of an international group operating in Scandinavia, Europe and USA, requires a Financial and Administration Controller, who will report to the Managing Director.

The responsibilities include:

- Production of timely and accurate monthly, six monthly and annual accounts and reports for submission to Company Headquarters in Denmark.
- Liaison with UK auditors on statutory accounts
- Production of six monthly and longer term budgets to tight deadlines
- Effective cash management including cash forecasting, funds management and credit control
- Management of Accounts Department, Shipping Department, Warehousing Department and sales office staff including supervision, motivation, training, development and where necessary recruitment and disciplinary action
- Further development of computerised systems

Candidates should be qualified accountants in the age range 28 - 35 with several years' post-qualification experience in a commercial environment. Must have proven managerial and commercial ability.

Please send a comprehensive career résumé including salary history and day-time telephone number, quoting reference 2128 to W.L. Tait.

Touche Ross & Co, Management Consultants

Hill House, 1 Little New Street, London EC4A 3TR

Telephone: 01-353 8011

A member of the Management Consultants Association.

AUDIT ASSISTANT

Old established London Merchant Bank requires an audit assistant to join its Internal Audit Department. AIB and/or accountancy qualification essential. Salary negotiable.

Please apply with full cv to:

Mr Peter Thring
ERNST & WHINNEY
1 Lambeth Palace Road
London SE1 7EU

Indicating the name of any bank to which you do not wish your application to be sent

Financial Controller

Exciting New Business Opportunity

c. £15,000 + car
Tombridge, Kent



Our client has set up an exciting venture to market a wide range of small electrical goods under a well-known personal brand name. The initial launch will be a range of products in the hair and personal care fields and the enthusiastic initial response from the trade is already confirming earlier predictions of substantial growth potential in these areas. Further growth is planned in other areas later.

Sound financial backing has been arranged and what is now required is an enthusiastic and able young Qualified Accountant to control the finances and administration and to contribute to the company's growth and prosperity.

Applicants should be aged 27 to around 30, preferably chartered, with at least two years experience in commerce, ideally in a t.m.c.g. environment.

An attractive remuneration package will be negotiated and there are excellent prospects of a Board appointment within the short term.

Please send concise details including salary and day-time telephone number, quoting ref. M2012, to W.S. Gilliland, Executive Selection Division.

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

Finance Director -Scotland

TI Matrix Engineering Limited design, manufactures and markets a range of industrial power transmission products and undertakes sub-contract manufacture for a range of engineering industries. The Company, whose turnover is approximately £4m and has just under 200 employees, is part of the TI Group and operates as an independent unit in accordance with the group's de-centralised management approach.

The Company wishes to appoint a Finance Director who will be responsible for the total finance function which includes the Company's own data processing facility. The Finance Director will be part of the Company's senior management and will be expected to:

Applications should be addressed to The Director and General Manager, TI Matrix Engineering Limited, Brechin, Angus.

develop a good understanding of the business to enable him to play a wider role in the Company's affairs.

The position is likely to be of interest to a qualified accountant in his/her mid-thirties who has already had considerable breadth as well as depth of financial and commercial experience within a manufacturing environment. Further development beyond this position could be within the TI Group.

The Company is based in Brechin and relocation costs will be met where appropriate. A competitive salary will be offered together with car and other benefits which are consistent with large company practice.

Applications should be addressed to The Director and General Manager, TI Matrix Engineering Limited, Brechin, Angus.

Financial Controller

Central London

£16,000 + car

Following a recent reorganisation our client, importers of handbags and luggage, has identified the need to appoint a qualified accountant aged over 35 to assume total responsibility for its accounting function. Reporting to the Board, you will manage and motivate a small department whilst improving and developing computerised accounting systems with particular emphasis on stock control, cash and credit management and

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 5499

management information.

Ideally you should have some experience of the fashion industry but more importantly of computerised accounting systems and be looking to take an active part in the rejuvenation and expansion of a medium size company marketing well respected products to 'household-name' customers.

Contact John P. Sleath FCA on 01-405 3499 quoting ref. J/61/FF

GROUP ACCOUNTANT

Lake District

Company Car

West Cumberland Farmers Ltd is the UK's largest agricultural co-operative with a turnover in excess of £180 million. The business, which is to supply farm requisites and market outputs from its members' farms, is supported by a network of warehouses and production units covering the north of England and central and southern Scotland.

The need is for a highly motivated qualified accountant who is capable of establishing an effective central Finance Function in addition to the Financial Management accounting control. The successful candidate will be required to co-ordinate and assist for the co-ordination of Corporate Plans/budget, financial modelling, trend projections, the appraisal of company fundings and development of a treasury role. Candidates aged 28-40 with a sound industrial trade record, seeking a real career move are invited to apply for this exceptional opportunity.

The salary and conditions are appropriate to a large progressive organisation.

Applications, enclosing CV should be made in strict confidence to:

Mr J. P. Ferguson
Group Personnel Manager
West Cumberland Farmers Ltd
Group Headquarters
Gatesdale, Workington, Cumbria CA4 8LF



Merchant Banking

CORPORATE FINANCE EXECUTIVES c. £20,000 or more

Our clients, among the leading and more prestigious Merchant Banks in the City, would like to hear from outstanding graduate Chartered Accountants, aged under 35, who have two or more years' current experience working in the Corporate Finance Department of a Merchant Bank. Benefits include a subsidised mortgage, BUPA and NCP. Prospects are, of course, OUTSTANDING. We would also like to meet graduate Chartered Accountants aged 24-30 who have trained with a "Big Eight" firm, with experience of financial institutions (gained within or outside the profession) or insolvency/investigations work.

Please telephone and send your curriculum vitae to:
Barry C. Skates
ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1N 7RH
Tel: 01-637 5227 ext. 281/282

PA to Chairman

Chairman of active, City based, fund management and issuing house seeks a personal assistant.

Successful applicant is likely to be a qualified Chartered Accountant with some City or industrial background. Reply in confidence to box A8330, Financial Times, 10 Cannon Street, London EC4 4BY.

ACCOUNTANCY APPOINTMENTS
APPEAR EVERY THURSDAY

Accountancy Appointments

Young Group Accountant

Recently Qualified

Oxford Area
c £13,000 + Car

This small but successful group of manufacturing companies (turnover £12 million) is engaged in a rapid expansion both organic and by acquisition. The Finance Director is looking for a "right-hand" Group Accountant to work closely with him in a small head office and taking responsibility for corporate accounting, monthly management reporting and cash management as well as participating in acquisition analysis and evaluation.

The position calls for a Qualified Accountant, aged mid to late twenties, with at least two years post qualification experience including ideally some investigative reporting and a sound commercial awareness. It will be particularly attractive to someone wishing to join a small top level management team with the ambition and financial resources to build up a very prosperous and well managed business.

They offer an attractive remuneration package including a car, relocation assistance and profit sharing scheme.

Career prospects in this forward looking group are first-class.

Please send concise details including salary and day-time telephone number, quoting ref: M2013, to W S Gilliland, Executive Selection Division,

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

Financial Controller/ Director Designate

International Trading
London West End
to £18,000 + Car

Our client is the UK subsidiary of one of the world's top general merchants, dealing in a wide range of commodities and manufactured goods. They employ around 40 staff at their West End headquarters.

London is already one of the group's most important offices overseas and there are ambitious plans to expand its activities further.

High level financial expertise will be critical and they are now anxious to recruit a top calibre Financial Controller to be responsible to the Managing Director for all financial, treasury and administrative aspects of the business.

They are seeking a Qualified Accountant, aged 30 to 40, with several years' wide commercial experience including import/export. Experience of computer based systems is essential.

There are excellent prospects of a Board appointment in the short term and the remuneration package is all you would expect of an appointment of this importance.

Please send concise details including salary and day-time telephone number, quoting ref: B204, to W S Gilliland, Executive Selection Division.

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

A Belgian group, whose activities are primarily in the chemical field, requires a treasurer and a chief accountant for its holding company in Great Britain. Both appointments, reporting to the U.K. company's finance director, will be based in Watford.

TREASURER

The treasurer will assist the finance director in setting up a system to control borrowings and investment of surplus cash, foreign currency management, leasing arrangements, and banking and financing arrangements for the British companies as a whole. Applicants should preferably be young graduates with appropriate experience in finance, treasury or corporate planning functions of a large multi-national group, have some talent in languages and be prepared to travel. They should see their career development in terms of the group as a whole. Reference 1954/A.

CHIEF ACCOUNTANT

The chief accountant will be responsible, with an assistant accountant, for the central accounting services in Great Britain, the day to day accounting being delegated to the accountants of the active subsidiary companies. Specific responsibilities will include the consolidation of all information relating to the British Companies, two of which are quoted, and the production of their statutory annual reports and accounts. Applicants should be professionally qualified accountants, technically highly skilled and experienced. They should be up to date in current accounting standards and strong in current tax. Reference 1954/B.

The remuneration package for each appointment includes a salary commensurate with age and experience, plus car and running costs, BUPA, contributory pension scheme, removal and relocation allowance and five weeks annual holidays.

Applicants should write, in confidence, with full details of previous experience and current salary, quoting the appropriate reference number, to John Hills,

Annan Impey Morris
Management Consultants
4043 Chancery Lane, London WC2A 1JJ.

A.I.M.

CHIEF FINANCIAL OFFICER

London

c. £18,000 & car

This is a rapidly growing company with blue-chip financing and support, geared to achieve full million pound turnover internationally within four years. Several of its own manufacture high technology closed-circuit entertainment, education and conference systems, are successfully operating and there are matured plans for product range extension. The chief financial officer will be a key member of the small team running the UK, European and US operations and will be required to make a wide contribution in the total area of finance, administration and business planning. Well educated, seasoned applicants in their 30's, must have a successful career embracing financial and management accounts, systems, administration, budgets, forecasts and EDP. Commercially aware chartered accountants with well rounded professional and line skills, used to making a complete contribution in a market orientated environment, would be ideal.

Benefits include car, pension, medical and insurance options.

Please send full career history, in total confidence, to:

Giles Foy, quoting reference 584/FT,
Craifern Corporate Consultants Limited,

2 Berkeley Square, London W1X 5HG. Tel: 01-629 0682

**CRAIFERN
CORPORATE
CONSULTANTS**
Executive Selection Division

Overseas Financial Control

Central London

c. £13,000 + benefits

In addition to preparing pertinent management information, you will undertake a range of special projects which may involve some overseas travel.

Future career prospects within this function and the group as a whole are extensive and the generous benefits include a subsidised mortgage and non-contributory pension scheme

Contact David Tod BSc, FCA
on 01-405 3499
quoting ref D/17/OF

**Lloyd
Management**

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

ACCOUNTANT (preferably qualified)

required for leading Friendly Society in Royal Tunbridge Wells. All-round accounting and management ability is involved in the post.

The Society offers subsidised mortgage scheme, relocation expenses where necessary, non-contributory pension and permanent health scheme. Salary by negotiation.

The Society has over 100,000 members and assets exceeding £30 million. In recent years high growth rates have been achieved which are continuing. We would welcome an able and energetic member of the management team.

Applicants should apply in the first instance to the General Manager, Tunbridge Wells Equitable Friendly Society, 19 Mount Ephraim Road, Tunbridge Wells, TN1 1ER.

THE UNIVERSITY OF MANCHESTER DIRECTOR OF FINANCE

Applications are invited for a new post of Director of Finance. The Director will be one of three senior administrators reporting directly to the Vice-Chancellor. The responsibilities of the officers have recently been reviewed, and the role of the Director of Finance will be both challenging and demanding. Candidates should be qualified accountants with considerable professional skill and experience who possess the managerial ability to lead a major administrative department. Salary will be not less than £20,000 pa. Further particulars may be obtained from the Vice-Chancellor, The University, Manchester M13 9PL, to whom applications should be sent by November 14th.

Senior Tax Accountant International Oil Company

Taxation and at least 3 years' post qualification taxation experience.

A highly competitive starting salary plus the normal progressive benefits package expected of an international company, will apply. If you are interested in this career opportunity, please write, in confidence, giving brief career and personal details to: Jane Cornelius, Employee Relations Supervisor, Occidental International Oil Inc., 16 Palace Street, London, SW1E 5BQ.



COMPUTER AUDITOR

Salary £12,000 per annum

plus benefits

We have been retained by a major International Insurance Group based in the City of London to interview suitable applicants for the responsible position of Computer Auditor.

Our principals are seeking to recruit a recently qualified Chartered Accountant with significant experience in the Computer Audit Department of a large accountancy organisation.

The responsibilities will include the development of the computer audit activities and software support, evaluation of systems developments and participation in general audits.

For a discussion in confidence please contact:

Trevor James, F.C.A.
Managing Director
IPS Group of Companies
6 Lloyds Avenue House
6 Lloyds Avenue, London EC3N 3ES
Telephone: 01-481 8111

Accountancy Appointments

EDP Audit

Essex

to £16,500+car

This U.K. subsidiary of a major U.S. corporation with interests in advance electronics, marketing and distribution has a sophisticated consultancy/audit function.

The various operating companies (turnover £200m) use a wide range of mainframe and mini computers for financial and operational purposes.

The control and security of these systems is a highly visible responsibility of management and audit.

Our client is now seeking a qualified accountant ideally aged between twenty-eight and forty with sound experience of data processing applications within industry to join a small team of specialists reporting to the Chief Internal Auditor.

Your audit experience will have been gained in either the profession or industry preferably combined with the use of audit software.

In addition to an attractive salary the large company benefits package includes a company car as approximately 40% of your time will be spent away from base.

Career opportunities are excellent within this diverse and successful group both within the U.K. and Europe. Please telephone or write quoting reference 7212.

**Lloyd Chapman
Associates**

123, New Bond Street, London W1Y 0HR 01-499 7761



DIRECTOR OF FINANCE £18,000 + Car

A rapidly expanding and very profitable subsidiary of a US computer company offers an excellent career opportunity to an experienced financial manager. This senior appointment has been created to control the operations of two UK companies involved in the marketing and distribution of mini-computers and peripheral products. Working closely with the Managing UK Director of Finance will assume total responsibility for the entire financial function, managing a small but growing department. Suitably qualified candidates aged 30, should possess "hands on" accounting experience and first-class communication skills. Experience of US reporting is essential. BUCKS. Ref: JC.

FINANCIAL CONTROLLER £18,000 + Car

A senior appointment for an ambitious commercially aware accountant with good industrial experience. This No. 1 financial position is viewed as a developmental role. An early priority is the introduction of a new in-house computer facility. The Financial Controller will be responsible for financial and operational control, will maintain close contact with Sales and Marketing Directors and will be responsible for managing some 20 staff. Suitable candidates will be qualified accountants, aged 30-35, with a proven track record, preferably within a US company's environment. SURREY. Ref: JC.

DIRECTOR POTENTIAL £13,000 + Car

This small and energetic merchanting/marketing group are seeking an experienced financial accountant to control and direct their financial affairs. There will be three main areas of focus, financial control, business systems development and administration. The successful candidate will be qualified ACCA/ACMA aged 35, with thorough technical skills, a clear mind and an aggressive outlook. N. LONDON. Ref: SC.

ROBERT HALF
LEE HOUSE, LONDON WALL, EC2Y 5NN 01-636 2771

Financial Accountant Salary up to £16,500 Lloyd's Broker

Our client has created a corporate plan to expand their business base during the next 5 years. This has created a vacancy for a "youngish" Financial Accountant who will report directly to the Chief Financial Officer.

The successful applicant will be a qualified ACA or ACCA and have at least two years sound commercial experience in a computerised service environment, preferably in the insurance broking market. In addition to the daily responsibility for the financial accounting functions, the Financial Accountant will be actively involved in the production of management information, treasury function, budget preparation and control.

As well as an attractive salary, the company has a range of non-contributory fringe benefits and a non-contributory pension scheme. Please write in confidence giving details of career experience to date to: Stuart Rochester, Neville Russell, Chartered Accountants, 246 Bishoptongate, London EC2M 4PB.

**Neville Russell
Chartered Accountants**

ACCOUNTANT (preferably qualified)

required for leading Friendly Society in Royal Tunbridge Wells. All-round accounting and management ability is involved in the post.

The Society offers subsidised mortgage scheme, relocation expenses where necessary, non-contributory pension and permanent health scheme.

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Suit Non-Life Actuary/Statistical Management Accountant, used to working under pressure.
Aged 28+ - £12,500/14,500
Call Mrs. M. A. Gullen
(Managing Director)
2 Whittington Avenue,
London, E.C.3
01-823 3831/2

GENERAL APPOINTMENTS

WAKO

International (Europe) Limited
EUROBOND DEALER

We have an opening for a Eurobond Dealer in our Eurobond Department.

Salary is negotiable based on qualifications and relevant experience.

Applicants should send a detailed curriculum vitae to:

Mr. H. Kitakaze, Company Secretary
Wako International (Europe) Limited
Lee House, London Wall, London EC2Y 5AS

LOUGHBOROUGH UNIVERSITY OF TECHNOLOGY

LAW AND PRACTICE OF BANKING

Applications are invited for a PRACTICE OF BANKING tenable in the Department of Law of the University. The postholder will be a member of the Loughborough Banking Centre, a post-graduate teaching and research centre established in 1978 by the Department of Economics.

Applicants should possess a relevant degree and/or professional experience. The appointment will be tenured, with the starting salary in the region of £3,000 per annum. Further details and application forms from Peter Johnson, Department of Economics, Director, quoting Ref. no. 83350 Mill.

Loughborough Leicestershire

APPOINTMENTS WANTED

ENERGETIC MBA 28

Wide experience of activities relevant to Financial Management: Economics / Policies; Acquisitions; U.S./UK Securities; Property, etc. Recently running own manufacturing enterprise.

Seeks individual or organisation which appreciates exceptional range of talents.

Write Box A8327
Financial Times
10 Cannon Street, EC4P 4BY

A 55 YEAR OLD Chartered F.C.M.A. F.I.A.B. (Marketing) over 8 years experience needs suitable appointment. Available immediately. Address: Mr. J. C. Williams, 12, Canons Street, London EC4P 4BY.

Group Treasurer

West End

c.£19,000 + car

Our client is an international market leader in the manufacture and marketing of building and associated products and industrial contracting operations. Group turnover £230 million. An excellent opportunity has now evolved for a qualified ACA to head the treasury function.

Candidates must have 2-3 years' experience in a treasury role preferably in a multi-national or large international organisation.

Reporting to the Group Financial Controller, the appointee's main responsibility is to manage the group's borrowings and foreign currency exposure. This involves direct contact with financial institutions, managing foreign exchange, funding overseas operations, facilitating cost-efficient group funding, managing group cash flow and advising subsidiaries of all treasury-related matters.

Candidates should write to Philip Cartwright, ACMA, enclosing a comprehensive curriculum vitae, quoting ref. 950 at P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Reed Executive

The Country's most successful Recruitment Service

Chief Accountant

c.£16,000 + car

This Public Company is well known in its field of consumer electronic equipment manufacture and has recently entered into new and exciting product areas. Reporting to the Finance Director, you will be responsible for: Reviewing and further developing computerised accounting system, setting up an integrated costing system and day-to-day control of the accounts function. A qualified ACA/ACCA, aged 30/40, you will have recent experience at senior level within a relevant industrial operation and be capable of applying yourself to the tasks at hand, the satisfactory execution of which will lead to further career developments.

Telephone 01-247 9431 (24hr service) quoting Ref. 0913/FT Reed Executive Selection Ltd, 122 Whitechapel High Street, London E1 7PT.

London Birmingham Manchester Leeds

CONTRACTS AND TENDERS

REpublique ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERIE DE L'ENERGIE ET DES INDUSTRIES
PETOCHIMIQUES

CONTRACTS AND TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERIE DE L'ENERGIE ET DES INDUSTRIES
PETOCHIMIQUES

(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DE FORAGE

(National Drilling Company)

"E.N.A.F.O.R."

NOTICE OF RESTRICTED INTERNATIONAL
CALL FOR TENDERS NO. IN 63

The National Drilling Company (L'Entreprise Nationale de Forage "ENAFOR") is launching a Restricted International Call for Tenders for the supply of:

BATCH OF ELECTRIC MOTORS of 25 to 75 hp in 50 and 60 Cycles (LOT DE MOTEURS ELECTRIQUES de 25 à 75 hp en 50 et 60 Cycles)

This Call for Tenders is intended for officially recognised manufacturing and distribution companies only and excludes amalgamations, representatives of companies and any other intermediaries etc. in conformity with the provisions of Law No. 78.02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Tenders interested in this Call for Tenders may obtain the specifications from "ENAFOR," Département Achats (Purchasing Department), 1 Place Bir Hakeim, El-Biar (Algiers), with effect from the date on which this Notice is published.

Offers, of which six (6) copies should be prepared, must be sent in a double sealed envelope, by registered post. The outer envelope should not bear any mark that might identify the tenderer, and should state simply "APPEL D'OFFRES INTERNATIONAUX POUR LA FORAGE" and "E.N.A.F.O.R."

"A NE PAS OUVRIR" (RESTRICTED INTERNATIONAL CALL FOR TENDERS NO. IN 63.26 — CONFIDENTIAL — DO NOT OPEN).

"A l'attention de M. LE CHEF DU DEPARTEMENT D'ACHATS" (to the attention of the Head of the Purchasing Department). Tenders must be received by 20.11.83 at the latest.

Any tender received after the above date will be rejected.

Selection will be made within 120 days from the closing date of this Call for Tenders.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERIE DE L'ENERGIE ET DES INDUSTRIES
PETOCHIMIQUES

(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS

(National Oil Exploration Company)

NOTICE OF INTERNATIONAL CALL FOR TENDERS
NUMBER 0404-OT/MEC

The Enterprise Nationale des Travaux aux Puits (National Oil Exploration Company) is launching an International Call for Tenders for the supply of:

Item No. 1 — Spare parts for multi-terrain vehicles, model

Toyota FJ 60-LV-SW

Item No. 2 — Spare parts for Land-Rover vehicle

This Call for Tenders is intended for manufacturing companies only and excludes amalgamations, representatives of companies and any other intermediaries, in conformity with the provisions of Law No. 78.02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Tenders interested in this Call for tenders may obtain the specifications from the following address:

Entreprise Nationale des Travaux aux Puits, 2 Rue du Capitaine Azzoug, Côte-Rouge, Hussein-Dey, Algiers (Algiers), Département d'Approvisionnement et Transports (Supplies and Transport Department) — with effect from the date on which this Notice is published.

Offers, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the "Secrétariat du DAT" (Secretariat of the Supplies and Transport Department), 2 Rue du Capitaine Azzoug, Côte-Rouge, Hussein-Dey, Algiers (Algiers), Département d'Approvisionnement et Transports (Supplies and Transport Department) — with effect from the date on which this Notice is published.

Tenders, together with taxation and administrative documentation required by current law, should be sent in a double sealed envelope, stating clearly "A NE PAS OUVRIR" (APPEL D'OFFRE INTERNATIONAUX N° 002/83 — CONFIDENTIEL — A ne pas ouvrir" (INTERNATIONAL CALL FOR TENDERS NO. 0404-OT/MEC — CONFIDENTIAL — DO NOT OPEN).

Tenders should be sent to arrive by 12.00 hours on Saturday, 26 November 1983, at the very latest.

Selection will be made within 100 days from the closing date of this Call for Tenders.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(Algerian Popular Democratic Republic)

MINISTERIE DE L'ENERGIE ET DES INDUSTRIES
PETOCHIMIQUES

(Ministry for Energy and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS

(National Oil Exploration Company)

NOTICE OF NATIONAL AND INTERNATIONAL
CALL FOR TENDERS

NUMBER 9073.04/MF

The National Oil Exploration Company (Entreprise Nationale des Travaux aux Puits) is launching an International Call for Tenders for the supply of:

HEXAGONALS KELLYS (Tiger Hexagons)

This Call for Tenders is intended for Manufacturing Companies only and excludes amalgamations, representatives of companies and any other intermediaries etc. in conformity with the provisions of Law No. 78.02 of 11 February 1978 with respect to State Monopoly on Foreign Trade.

Tenders interested in this Call for Tenders may obtain the specifications from: Entreprise Nationale des Travaux aux Puits - 2, Rue du Capitaine Azzoug, Côte Rouge - Hussein Dey ALGER (Algiers) ALGERIE (Algiers), Département d'Approvisionnement et Transports (Supplies and Transport Department) — with effect from the date on which this Notice is published.

Offers, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the "Secrétariat du DAT" (Secretariat of the Supplies and Transport Department), 2 Rue du Capitaine Azzoug, Côte Rouge - Hussein Dey ALGER (Algiers), Département d'Approvisionnement et Transports (Supplies and Transport Department) — with effect from the date on which this Notice is published.

Tenders should be sent to arrive by 10.00 days from the date on which the present notice is published.

THE ARTS

Royal College of Art/David Piper

A rich memorial to Prince Albert

The germ of Prince Albert—*His Life and Work*, the large exhibition at the Royal College of Art (daily until January 23), is said to have been implanted by the present Consort, the Duke of Edinburgh, inspired surely by admiration but also by fellow-feeling. The seed has not only blossomed in the show at the College, but appears to be programmed to fragment, more like a rocket, nationwide.

Auctions, Christmas concerts, Victorian Sundays, ancillary exhibitions across the country, Albert weekends at hotels, conferences, lectures. Guided walks round Albertopolis, that cultural hive in South Kensington; at Greenwich, a positive explosion of Albertian activities—and, attached to the exhibition itself in the College, a splendid shop of Victorian/Albertian goodies that will surely resolve Christmas shopping problems for countless customers.

The exhibition itself is designed with great ingenuity in a space constructed originally not at all with such a tenant in mind. It is cajoled into progress threaded through and down several levels, down to an inverted climax at the lowest one where the designer, Nicholas Judd, has had the last space in which to produce a richly sonorous coup-de-theatre, as the Prince-Hero dies. There, the visitor climbs up towards the light and the exclamation *Albert Lives!* Here, sentinel about the top of the well of the staircase, Henry Moore confronts Alfred Stevens, and Hepworth Dalou. Egyptian frieze designs hang as pennants, produced by present day students of the College from Owen Jones designs. The fruitful continuity of the School's tradition is demonstrated. It would be interesting to know how Albert would have considered the development.

Given the constraints of the space available, the organiser (Hermione Hobhouse) and her designer could scarcely have done better with this theme. The result, however, raises that recurrent and intractable problem. Is the exhibition essentially complementary to or illustration of the admirable and admirably illustrated study in book form that Hermione Hobhouse has published to go with it (Hansom Hamilton); in paperback, at the exhibition only £3.95; the hard back version also available from bookshops, £10.95? Here do we have in fact the "exhibition of the book" or is, as claimed, the book "the book of the exhibition"? What does the experience of the exhibition add to the experience of reading the book?



Trevor Humphries

Prince Albert's study

There is no doubt that it is an exhibition that has to be "read" (a process made more challenging by a sometimes ill-co-ordinated relationship of labels to exhibits). It consists for the most part of fairly small items, a lot of them documentary, but almost all demanding close scrutiny. A first run through, primarily as it were to get the hang of it, took me two hours, and after the second journey through, though I reckoned I had grasped fully the content of some sections, others I had still skated through purely superficially.

So—I can go again; but on the other hand, having spent an evening with Hermione Hobhouse's book, both learned and readable, I feel a return visit would not offer much more. I suspect the balance between the visual element and the exposition of the theme as a whole is not fully successful, but also that such a balance may be impossible.

Let not any such quibble seem to suggest that the theme is not for celebration. Albert was always, but one of my major heroes, not least in that in intent and achievement he was so enlightened, so admirable—and so successful—but because together with what must have been a formidable certainty of purpose, he maintained such a sweet reasonableness, such a grasp of the poise, among his virtues.

This is a facsimile of a, at first sight, modest—anyway not

without which he would have been inhuman. For example, his relationship with his eldest son, the future Edward VII, was distressingly unsuccessful. He drove his virtues to excess, so that they became faults—notably by over-work; by 1881 he was physically so lowered that he failed to repel the fever that assailed him. He was a mere 42 years old. Given, as one (and certainly the Queen) could reasonably anticipate, another 30 years, what might have been so different? Possibly the whole history of Europe, for Albert was in more sensitive touch with the realities of the Continent than any English-born statesman.

As it is, he modulated the constitutional position of the Crown into a course in which it still survives, if increasingly isolated among European states, as a viable solution for the survival of monarchy and of democracy. The sheer concentration, the early warning slogan, the hints dropped here and there, by which this course was established, are not of course demonstrable in the exhibition. But read Hermione Hobhouse before you go, and the visual expression of it will be most evocatively realised in one of the few literal three-dimensional recreations in the exhibition.

Much that seems such detraction from the importance of the subject that it illustrates here—the absurd hat that Albert designed for military

use, tends to blur rather than illuminate his profoundly serious concern for both efficiency and well-being of the British army. His concern was always serious, enquiring and considered, and for an astonishing range of interests. He could talk as scientist to scientists, or engineer to engineers, as artist to artists, as musician to musicians, as farmer to farmers. He drew out the blueprint for the foundation of that complex (Albertopolis), which has developed into such a fantastic concentration of great international museums. The great 1851 Exhibition at the Crystal Palace (that still hovers in the imagination like a gleaming soap bubble) was only one of his ventures into major exhibitions, and for royal domesticity he was responsible for much of Osborne and much of Balmoral.

He is probably overladen by the posthumous cult so devoutly nurtured by his widow. There is an astonishing blow-up of a photograph of the Albert Memorial in the exhibition in which the figure of Albert himself is hid from sight in a sunburst, and echoes of Stonehenge at sunrise may confuse the mind. I doubt if he would have approved of the proliferation of statues that followed on his death.

There is in the exhibition a charming letter asking that his person be not included in a memorial proposed for the 1851 Exhibition: "I can say with perfect absence of humbug that I would much rather not be made the prominent feature of such a monument, as it would both disturb my quiet ride in Robin Hood to see my own face staring me in the face, and, as is very likely, it would upset my Equanimity to be permanently ridiculed and laughed at in *Edgar's*."

His essential humanity is elusive to demonstration. It emerges most movingly in a series of photographs in a album taken in 1860, all from one session, enlarged from a small album page at Windsor. He appears in various formal studio poses, in his frock coat and agletts, the tearful old bumbler by presenting an acutely observed study of a finical, rosy-cheeked, slightly epicene lost cause for whom speeches to cupboards and muttered snooker shots are equally valid methods of not contemplating the void. You realise that the emotionalism of Chekhov really lies in the continual denial of emotional expression. In that respect, Chekhov smiles a recognisably English chord.

Only when Bill Fraser's

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Only when Bill Fraser's

The Cherry Orchard/Haymarket

Michael Coveney



Joan Plowright and Frank Finlay
"All Russia is our orchard" speech at the end of Act Two sounds like wishful thinking, playfully fielded by Cora Kinnaird's somewhat brittle Anya.

Frank Finlay, with his barking laugh and controlled ribaldry of delivery, buys the orchard as an act of class revenge, exploding with manic ferocity at the jeering babbles which greets his announcement: Buried, too, in the performance is an unarticulated affection for Ranevskaya. His hands truly do not belong to him, carving through the air in a series of unpremeditated Papal gestures.

The snapping string does indeed seem to come from a distant mine, accompanied by an ominous rumble. Bernard Miles is a delightfully decrepit old Finn, ordering his legs up onto the sofa at the end like a couple of pet dogs.

All these characters have, to some extent, submerged their vitality: Margaret Robertson's husky-voiced governess, in her role as party trickster, Joanna David's governess in a severe impersonation of household efficiency, Frank Grimes's Trofimov in the stuttering rhetorics of the eternal student. Finally confronted by Lopakhin with a direct question, Mr Grimes blurts out that he shall certainly be there when the new day dawns, before melting in confusion... "or, I shall show others the way."

In recent years we have seen Trofimov the impassioned zealot, Trofimov the uncomfortably displaced wandering Jew, here, only when Bill Fraser's

drive, the orchestral sound, he also knows how to sustain whole paragraphs while at the same time pausing to acknowledge detail within them, the inflection of melodies in both outer movements was achieved with masterly ease and rightness.

But both these outer movements, it seemed to me, refused to grow out of such properly Brucknerian raw materials, to sing on light, air, and majesty—something dogged and heavy in the unfolding constrained them. The heaviness of tread through the scherzo, on the other hand, was apt and exciting, especially when answered by a middle trio section of Mendelssohnian fleetness (notwithstanding, again, the odd violinist stray wince). It was, altogether, a performance of amiss.

As a result, one minded the placing of the Bruckner *Te Deum* after rather than before the symphony less than might have been the case; indeed, the baroque splendour of its outline supplied the concert with a culmination which it might otherwise have lacked. The Philharmonic Chorus was in fine form, strong in full voice, delicate in pizzicato; but uncertain contact with the conductor's beat may have accounted for an unusual number of halting entries. A notably ill-balanced solo quartet was led by Martyn Hill, whose tenor sounds as though it has put on weight; on this occasion, a touch more of his old sweetness would not have come amiss.

Bruckner/Festival Hall

Max Loppert

The current preponderance of the mature Bruckner symphonies in the London concert schedule is something of which few people will feel moved to complain; but it does mean that a work like Bruckner's Ninth, which ought to be a rare and profound experience for both orchestra and audience, is bound sometimes to seem less than that. It was hard to know why Tuesday's Philharmonic Ninth under Lvov von Matacic stayed earthbound; perhaps this was a single listener's response only?

The Philharmonic playing was authentically broad, full, and deep of tone—Matacic, though his baton-less beat may lead to passing imperfections of ensemble, is a Bruckner conductor of the old kind, who knows how to draw out, rather

than drive, the orchestral sound.

He also knows how to sustain whole paragraphs while at the same time pausing to acknowledge detail within them, the inflection of melodies in both outer movements was achieved with masterly ease and rightness.

But both these outer movements, it seemed to me, refused to grow out of such properly

Brucknerian raw materials,

to sing on light, air, and majesty—

something dogged and heavy

in the unfolding constrained

them. The heaviness of tread

through the scherzo, on the

other hand, was apt and exciting,

especially when answered

by a middle trio section of

Mendelssohnian fleetness (not

withstanding, again, the odd

violinist stray wince). It was,

altogether, a performance of amiss.

F.T. CROSSWORD

PUZZLE No. 5,247

ACROSS

- 1 A first-rate batsman keeps calm (6)
- 4 EP and single, spinning —tau? (8)
- 10 Pulling a pint often (7)
- 11 Got idea developed for an annual? (7)
- 12 Go aimlessly with powered bike, endlessly (4)
- 13 Foot-long skeleton of Sumatra set in order (10)
- 15 Top artist in hold (6)
- 16 Small type—one in a red suit? (7)
- 20 Hoping not to finish with drug? (7)
- 21 A prelude, of course (6)
- 24 Those I drop around the ministry (10)
- 26 Initially in English milieu, men admired this novel girl (4)
- 27 Lord of the Flies? (7)
- 29 Pick-up service in part? (7)
- 30 Who what captains might call intellectuals? (8)
- 31 Chervot placed wrong way on top of table—how sad! (6)

DOWN

- 1 Grounds for settlement (8)
- 2 Tai, skin people who train runners? (9)
- 3 Syncopated tunes can be fun for students (4)
- 5 Country home of Wodehouse, we hear? (5-5)
- 6 Tender name, perhaps? (10)
- 7 Metrical stress of classic Tuscan... (5)
- 8 ... having no expression for girl in outskirts of Galway? (5)

9 Beef guide (5)

14 Old coin to grab—a French sovereign? (5-5)

17 Wherein Walther came first in European Song Contest? (9)

18 Like lakeside sedge (the wider variety) (8)

19 In relation to word meanings, times can change (8)

22 Work-attitude to contend with? (8)

23 Low Church skull? (5)

25 Frosting, sign of severe cold (5)

27 Aspiration employed by musician (4)

Solution to Puzzle No. 5,246

1. *Monte Carlo* 2. *Incubus* 3. *Incubus* 4. *Incubus* 5. *Incubus* 6. *Incubus* 7. *Incubus* 8. *Incubus* 9. *Incubus* 10. *Incubus* 11. *Incubus* 12. *Incubus* 13. *Incubus* 14. *Incubus* 15. *Incubus* 16. *Incubus* 17. *Incubus* 18. *Incubus* 19. *Incubus* 20. *Incubus* 21. *Incubus* 22. *Incubus* 23. *Incubus* 24. *Incubus* 25. *Incubus* 26. *Incubus* 27. *Incubus* 28. *Incubus* 29. *Incubus* 30. *Incubus* 31. *Incubus* 32. *Incubus* 33. *Incubus* 34. *Incubus* 35. *Incubus* 36. *Incubus* 37. *Incubus* 38. *Incubus* 39. *Incubus* 40. *Incubus* 41. *Incubus* 42. *Incubus* 43. *Incubus* 44. *Incubus* 45. *Incubus* 46. *Incubus* 47. *Incubus* 48. *Incubus* 49. *Incubus* 50. *Incubus* 51. *Incubus* 52. *Incubus* 53. *Incubus* 54. *Incubus* 55. *Incubus* 56. *Incubus* 57. *Incubus* 58. *Incubus* 59. *Incubus* 60. *Incubus* 61. *Incubus* 62. *Incubus* 63. *Incubus* 64. *Incubus* 65. *Incubus* 66. *Incubus* 67. *Incubus* 68. *Incubus* 69. *Incubus* 70. *Incubus* 71. *Incubus* 72. *Incubus* 73. *Incubus* 74. *Incubus* 75. *Incubus* 76. *Incubus* 77. *Incubus* 78. *Incubus* 79. *Incubus* 80. *Incubus* 81. *Incubus* 82. *Incubus* 83. *Incubus* 84. *Incubus* 85. *Incubus* 86. *Incubus* 87. *Incubus* 88. *Incubus* 89. *Incubus* 90. *Incubus* 91. *Incubus* 92. *Incubus* 93. *Incubus* 94. *Incubus* 95. *Incubus* 96. *Incubus* 97. *Incubus* 98. *Incubus* 99. *Incubus* 100. *Incubus* 101. *Inc*

TECHNOLOGY

EDITED BY ALAN CANE

U.S. EXPERIENCE OF CELLULAR RADIO FLAGS PROBLEMS

Land lines are the weak link

BY GEOFFREY CHARLISH

THE HIGH-SPEED approach taken by the Government over cellular radio—and the corresponding rate at which the communications industry is having to adapt—is producing close interest in the U.S. experience and is flagging up new problems which, with foresight, Europe might be able to avoid.

After all, in the space of a year, Britain for example, has seen a Government go-ahead for two competitive systems, avid public discussion, intense lobbying by manufacturers and finally the choice of two consortia, BT/Securicor and Racal/Milcom, to run the systems. The proposed starting date is "early 1985."

What is unclear is the rate at which the services will acquire customers: at the moment neither the price of the mobile equipment nor the cost of the service have been revealed—at this stage they are probably not clearly known by the two consortia.

However, there are two AMPS-based services in the U.S. that are about to go commercial after three years of development—Chicago and Washington/Baltimore—and they are naturally being watched with great interest.

That is why a recent symposium organised by Ovys Scientific and Technical Services and sponsored by the Mobile Radio Users' Association attracted 175 people from AMPS Inc, ARTS, Ericsson, and the BT/Securicor venture.

Mobile radio has been in the doldrums for many years due to lack of radio channels, producing a world-wide demand that exceeds supply—and correspondingly high-priced services. Re-allocation of spectrum from other services and the reduction (by technology) of the spectrum space needed by each channel have really only been palliatives.

Bell Labs had realised this would happen in the mid-1950s, when it revealed the idea of "cellular" working. But only in recent years have two developments allowed the idea

to be viable—the availability of fast electronic switching and radio sets that can instantaneously re-tune themselves under computer control.

To cover a large city satisfactorily, the transmitter used in conventional systems must be high-powered to reach the edges of, say, a 25-mile diameter area. Then, however, it is likely to interfere with other sites trying to use the same frequencies up to 100 miles away. So wide geographical reuse of channels is not possible and there is always a shortage.

In the cellular approach, the service area is divided into cells a mile or two across, each with a low power transmitter. Then, a set of channels allocated to one cell can be reused in another, perhaps only a few miles away with no danger of interference. The number of subscribers that can be accommodated can often be increased by 20 or 30 times.

Each cell is land line connected to a high speed electronic switching centre which sets up the calls to and from the public telephone network and also imperceptibly hands vehicles over from one cell to the next as they move about. One of the worries of Andrew Lamothe, technical director of Advanced Radio Telephone Service in Washington/Baltimore, is that present available switching systems may not be able to cope with the 60,000 or so subscribers expected by 1987. At peak times of the day the system might have to carry out one switching operation every microsecond (millionth of a second). So it will probably be necessary to use distributed switching centres able to communicate with each other in order to avoid congestion.

Clearly, this could result in a major upheaval of any system design not prepared for it, including London.

The present average bill of an ARTS subscriber is about \$210 a month, including \$120 for the radio. However, Lamothe says that subscribers are becoming more demanding over billing—business users

want itemised call accounting for example.

C. P. Witze, vice-president of AMPS Inc, explained that upon divestiture of the Bell units, the newly independent company will consist of seven regional operating companies offering services, while the equipment will continue to be made by AT&T.

Within a week or two the Chicago trial will become truly commercial. It is expected to have 100 to 300 cells within three or four years.

Witze said that a number of important decisions had been taken in Chicago. The first is that cellular is a complicated and expensive technology: a 20 cell system can cost \$15m to \$18m when land, building costs, towers, and equipment are all accounted for.

Then, after a cellular system is installed, months can be needed for "fine tuning" before it is really ready for service.

Managers soon found the weak link—not is the cellular system itself, but the interconnecting land lines from cell sites to the central switch.

"We recommend," said Witze, "that cellular entrants strongly consider using microwave links."

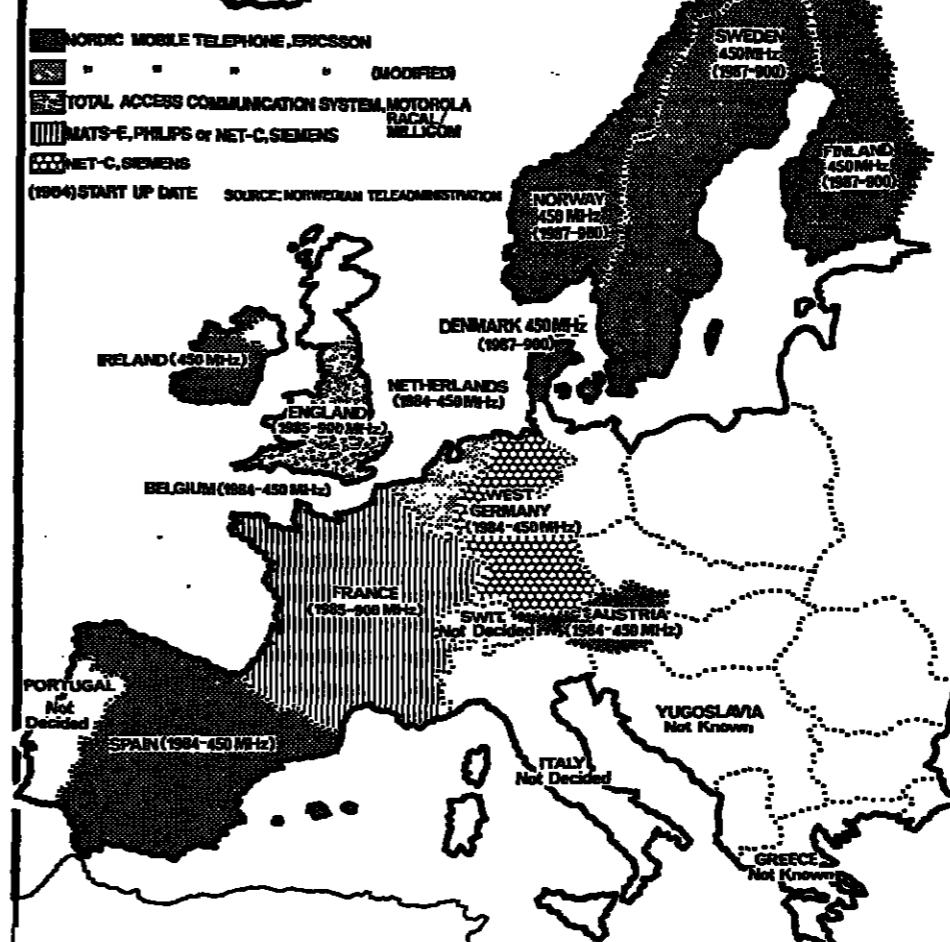
In the UK, Walter Stevenson, chairman of the Mobile Radio Users' Association, said he thought there was a serious lack of data about the forthcoming services. He feels that companies planning to spend quite large sums equipping their executives need hard data about radio prices, maintenance charges, call fees and such things as service areas and signal strengths.

John Garrett, technical director of the BT/Securicor venture could not oblige, but he was able to give some idea of the way standards were being developed at the Department of Industry. For example, "roaming" more important here than in the U.S. would need attention so that users will be able to move between the two competing systems and ultimately use their systems throughout Europe.

However, Garrett warned that the public might be getting the wrong idea about the availability of the new cellular service in 1985. It will not immediately cover the whole country. "The enthusiasm to achieve this," he said, "is necessarily tempered by the availability of manpower and money."

But in 1985, London, Birmingham and Manchester, and the motorways connecting them, will almost certainly have the

Land Mobile Systems in Europe



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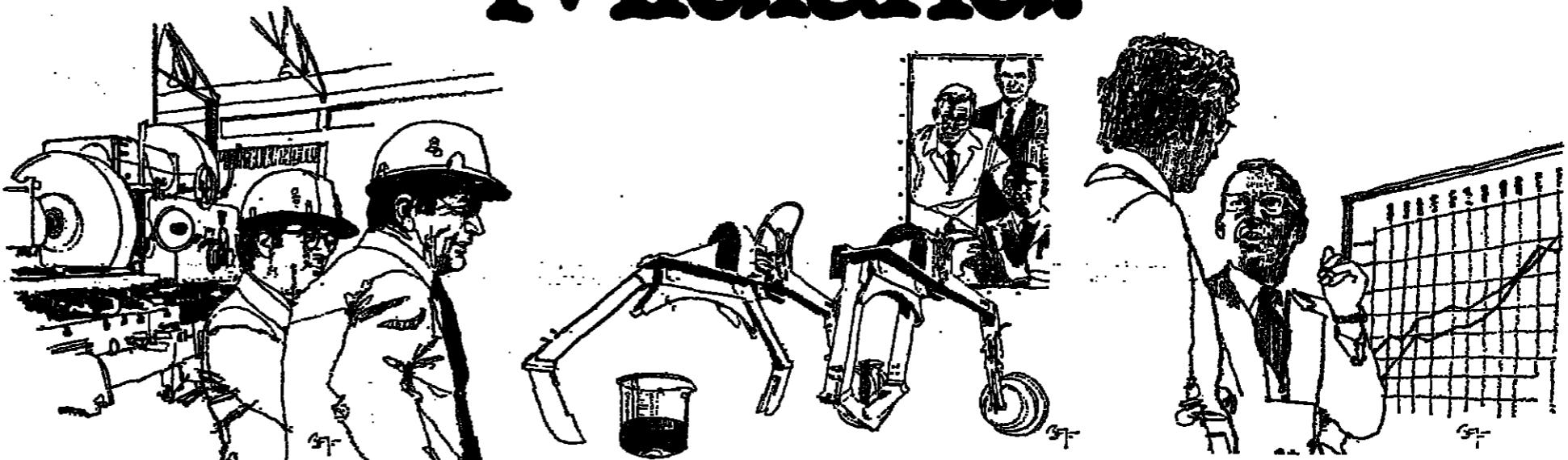
Sensors
City adds CO device to line

CITY TECHNOLOGY has now added a carbon monoxide model to the oxygen sensor product line which won the Queen's Award last year. The latest sensor which can be used to prevent fires in mines or to monitor potentially lethal build-up of carbon monoxide gas in mines or in car parks—was developed by City Technology in conjunction with the National Coal Board and the U.S. Bureau of Mines.

The most important application for the new carbon monoxide sensor is in measuring the extent to which a coal face is self-heating, with the danger that it might either explode, catch fire or give off toxic fumes.

It can also be used to measure levels of the toxic gas which are given off in car exhaust fumes. More from City Technology on 01-253 3799.

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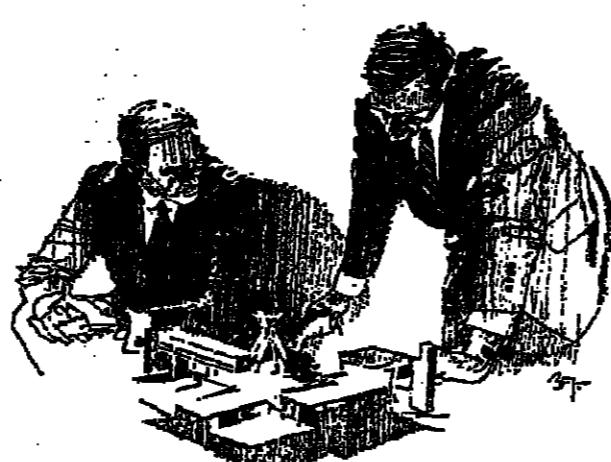
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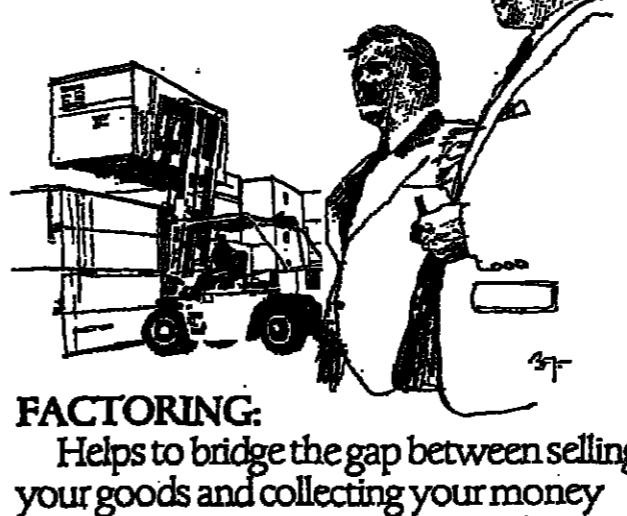


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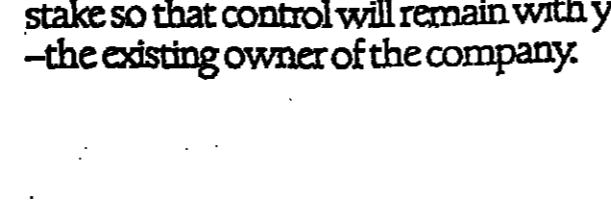
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BIOTECHNOLOGY

Shirley plans to 'grow' a fabric

BY ANTHONY MORETON

THE POSSIBILITY of "growing" fabrics in the laboratory is being investigated by the Shirley Institute in Manchester, where a two-year research project under Dr Brian Sagar is looking into textile applications of biotechnology.

At the halfway stage of the project, Dr Sagar finds "exciting promise" in his work. His team has already succeeded in producing a weft-laid nonwoven fabric, samples from micro-fungal hyphae. Nonwovens are conventionally produced from dry-laid random webs of fibres which are made cohesive by some form of fibre entanglement such as needle-punching or by application of an adhesive binder.

The Institute, the leading British research organisation on the artificial fibres and cotton side of the textile industry, hopes that nonwovens with novel and improved performance might be produced by this new route.

The researchers are using the typically branched growth of the filamentous microfungal which usually have a diameter less than a fifth of those textile fibres such as viscose rayon that are commonly used for nonwovens.

Dr Sagar believes further work is needed but that prototypes will be ready for commercial

The aim is to find suitable enzymes to catalyse the side-chain glycosylation and chain-extension of the cellulose in the presence of sucrose. If successful, these treatments could improve the flexural rigidity, abrasion resistance and tensile and tear strengths of viscose rayon fabrics.

The biotechnology work

forms part of a £100,000 project

sponsored equally by the Government and a consortium of UK textile and chemical concerns.

Though the project is well under way the Shirley Institute would not be averse to further sponsors.

Computing

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For further information on Midland Bank services for the businessman, see Pressed page 20156.

FINANCIAL TIMES

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Thursday October 20 1983

Funds for the parties

THE GOVERNMENT'S plans to reform the way in which unions fund the Labour Party — on which Mr Tom King, the new Employment Secretary, began talks with the TUC yesterday — form the most controversial part of its proposals for trade union reform.

Some 63 unions with a membership of over 5m presently maintain a political fund: around 7m of these members contribute to the funds. The aggregate income of these funds is around £1m: all of that is in practice available to the Labour Party at national, regional and local level.

The funds are regulated by the Government-appointed certification officer, working under the terms of the 1973 Trade Union Act. Its main provisions are that a union's political fund may be established only after a ballot of union members has sanctioned it; and that all members may exempt themselves from payment of the fee levied on them for the political fund by signing "contracting out" form.

Mr Norman Tebbit, when at Employment, proposed two changes. First, legislation on union democracy should require unions to ballot on the existence of funds every 10 years. Second, there should be a "fair and free" arrangement for payment of the political levy. Mr Tebbit has held the restoration of "contracting in" as a sword over the unions' heads if they do not agree such an arrangement with him.

On the assumption that Mr King will do at least the minimum of what Mr Tebbit committed himself to, the Labour Party is certain to suffer. Ten-yearly ballots on the existence of funds will mean the end of some of these funds, especially in the white-collar areas.

League table

In one sense, that will be a good thing. The best-funded party, the Conservative, is so because it works hard on raising money from its mass membership. Every Tory MP takes a strong interest in his constituency's fund-raising efforts, the more so since there is a keenly-fought league table for annual contributions.

Few Labour MPs would have a clue as to what their local Party had done for the national one: the unions' donations have sapped the will to beg.

Pressures on trade policy

IS TRADE liberalisation a lost cause? The question is not one to ask in polite multilateral company, but nor is it hypothetical. While heads of government have been protecting their domestic industries in the 1980s to an open multilateral system of rules, the proportion of world trade subject to non-tariff restrictions has been creeping inexorably upward. Everywhere the consciousness of political constraint dominates the discussion of trade-related issues.

Such pessimism is scarcely appropriate when the world economy is pulling itself out of the trough. The more so when the most striking feature of the present trade climate is that we have emerged from the worst recession since the 1930s without the equivalent of a Smoot-Hawley tariff and all the regulatory consequences. In trade policy a re-examination with what is politically feasible often dismisses a failure of political will. Even in the least favourable economic circumstances there is always some area where scope exists for dismantling trade distortions.

Negative side

The negative side of the present trade picture is that exchange rate imbalances continue to play havoc with the whole system. The under-valuation of the yen, for example, has contributed to a spiralling Japanese trade surplus that could, on some estimates, reach \$40bn next year. Small wonder that Japan finds itself having to accept the imposition by the US of special steel quotas this week and faces US demands for a continuation of voluntary restrictions on car exports.

The problem is exacerbated by the approach of next year's US presidential election. President Reagan's July announcement on special steel import quotas almost certainly signalled the open season for political horse trading.

There are, however, forces pushing in the other direction. With the notable exception of the US, most developed countries now place emphasis on the need for fiscal restraint in the medium term. In part that reflects a belief that governments cannot expand demand without inflationary con-

straint placed on union funding would cripple the Labour Party and render it unable to fight elections effectively. That outcome should not be any part of Mr King's reforms.

Further, Labour's funding base will probably always be poorer than the Conservatives'; the contributions which companies give to the Conservative (and other) parties are little examined; and UK parties — with the possible exception of the Tories — are drastically underfunded for the job they should be doing.

This argues for a more serious examination of the funding of parties than the Government has so far shown itself willing to give. Democrats should not tolerate very wide differences in the incomes, and therefore to some extent the effectiveness, of their major political parties.

Select committee

The Government should consider establishing a select committee to examine the whole gamut of issues raised by party funding: such a committee could draw on the work done by the Hansard Society two years ago, when a committee chaired by Mr Edmund Dell thoroughly aired the subject.

Within its terms of reference must be the question of how companies obtain consent for their contributions (most of which are destined for the Conservative Party): it cannot be sufficient, if reform is to be successful, that part of shareholders' response to a lengthened set of company accounts, in which they are usually a tiny

"We can see millions of pounds a week trickling through

Bank of England keeping an eye on developments

our fingers," complains a senior clearing banker.

Why do the big British clearing banks find themselves in this worsening predicament? It is because, as one critic says, they "have lost the minds and souls of the British public" by complacently believing that people are happy to leave their money in non-interest-bearing current accounts?

All of these issues form the backdrop to Mr King's talks with the TUC — or should do. For if he is seen merely to confirm the Tories' built-in financial advantage, he will serve all parties ill, including his own.

Does it even matter that banks are having to turn increasingly to non-interests of money, like the wholesale market? The banks already pay an estimated 5p in the pound to finance what some critics regard as the extravagant branch networks which bring in their "free" deposits.

The Bank of England, which is responsible for the health

sequences, which is as true of an expansion of overseas demand as domestic demand. The climate is thus becoming more hostile to export subsidies. At a more practical level, the cost of budget deficits ensures that transparent trade restrictions such as tariffs and subsidies attract mounting governmental attention and concern.

Against that background it is probably no coincidence that the French have recently become less rigid over export subsidies. France last year exported more to Opec countries than Britain or West Germany. Its exports to Africa (excluding South Africa) were more than double those of Britain and more than treble those of West Germany. It is thus relatively vulnerable to the debt problems of these areas, where so-called credit write-downs were deemed effective.

Fiscal prudence

The French Government's austerity programme, which involves increased fiscal prudence and an inflation target of 5 per cent by the end of 1984, is also relevant. Seen from a French monetarist perspective (which sees in the face of economic reality in claiming that export subsidies do work) lower consensus interest rates would favour those with most inflation since they have high domestic nominal interest rates. The French interest in lower consensus rates would thus diminish as inflation is reduced. It is noteworthy that the French Government last week was prepared to accept only a marginal reduction in rates and to concede the principle of an automatic link to market interest rates starting in January.

This is welcome, although the new mechanism assumes that we are starting from the right set of rates. If inflation soars again taxpayers in the more improvident countries will pay the price. Phasing out the consensus is for the moment too ambitious a goal, so the next priority should be an agreement on the subsidisation of exports via aid programmes. And the opportunities for liberalisation in agricultural trade thrown up by the potential accession of Spain and Portugal to the EEC should be

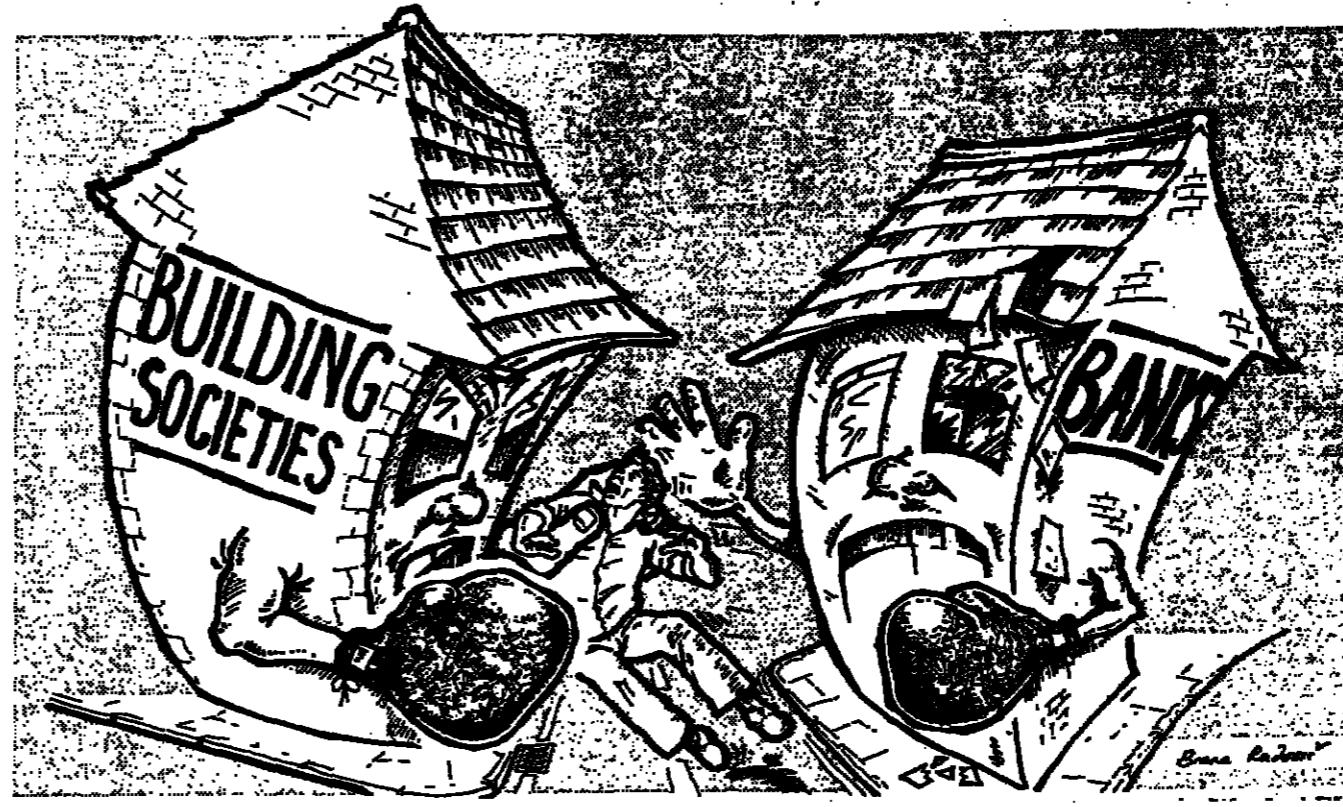
grasped with both hands.

"You can't blame them really — it's all those repeats."

BRITAIN'S BANKS AND BUILDING SOCIETIES

The smoke of battle thickens

By David Lascelles, Banking Correspondent



of the banking system, is keeping a wary eye on developments, though in general it favours

institutions by what they do rather than what they call themselves.

Another touchy matter is tax, where the building societies enjoy measurable advantages because of their social role as the major source for long-term housing finance. The tax mechanism allows them to pay rates of interest which even after tax compare favourably with what the banks offer pre-tax. They can exempt gift trading profits from tax. And unlike the banks, they do not pay the 32 per cent corporation tax.

But would any government, Tory, Labour or Alliance, want to clip back these advantages? Unlike the banks' competitive handicap became desperate the more obvious solution would be to give them a tax break. Indeed, the banks would dearly like to be included in the tax break, though it would be a tax on deposits, that's bad news and everyone worries about an explosion in the money supply. But if building society profits are up, that's good news.

Certainly, successive governments have never shied from clamping down on bank credit or squeezing banks into corners to stop them growing. But the importance of building society deposits is now recognised: these are included in the broad money supply measure, PSL2, which the Treasury now targets for the purpose of monetary policy. Not surprisingly, PSL2 is zooming ahead at the moment.

More people now also wonder whether the building societies may not actually be channelling too much money into housing. Lord Richardson, when still Governor last May, warned that the societies' advantages could create an inequality of competition that "militates resources," the implication being that they should prepare for tough controls.

All this is happening just as the future of the building societies is anyway in the melting pot. Earlier this year, the societies produced their own blueprint, the Spalding Report, which suggested they be allowed to expand into new businesses, like legal services, insurance and travel agency. The Treasury has embarked on a round of consultations which may yield a Green Paper next year.

In the meantime, though the building societies are being urged to show some restraint

deposits to cream off windfall profits two years ago was another instance, in the banks' view, of the raw deal they get at the hands of government, and the double standards that are applied.

As one clearing banker says: "There is always a row when one bank goes up. If we succeed in attracting a lot of deposits, that's bad news and everyone worries about an explosion in the money supply. But if building society profits are up, that's good news."

In the same speech Lord Richardson advised them to strengthen their resources and management skills before strutting out in new directions. And Mr J. M. Bridgeman, the Registrar of the Building Societies, has also warned them of the dangers of excessive competition and wants them to tighten up their budgetary and planning.

Inequalities in treatment do not totally explain the banks' problems, though. In some respects banks even yield considerable advantages of their own: they still have twice as many branches as the building societies (12,000 against 6,000), their money transmission and cheque clearing system is unrivalled, and they can pursue a whole range of services that the building societies could never match or are forbidden by law to offer, like overdrafts as well as the one they do.

The simple way to stanch the haemorrhage would be for the banks to raise deposit rates to competitive levels. But they are reluctant to do this, partly because of the attitude that prevails among the clearers that they are not in business simply to bid for deposits, and partly because they claim they cannot afford to.

Mr Stewart Legg, domestic planning manager at NatWest, which has the largest clearing network with over 3,000 branches, said his bank's research showed customers were still primarily interested in convenience. "We want to serve our customers' total financial needs and build up a long-term relationship," he said. "We do not just want to react to every day's events."

The banks have experimented with higher rates, of course, but the results are not encouraging. Lloyds, which aims for the better-heeled customer, has been among the

most aggressive of the clearers, offering a high-yielding 9 per cent account with one month's notice of withdrawal. According to Mr Fred Crawley, the deputy chief general manager, the account has attracted just under £1bn in a year. But Mr Crawley admits two-thirds of this simply came from other accounts within Lloyds. In other words, the bank ended up paying more for the same money.

If the banks were to start paying more interest they would have to... recover the cost in higher bank charges or higher loan costs and risk the usual outcry.

Whether bank customers would prefer to be paid for their balances in interest which is taxed, or in kind by means of subsidised bank charges is another matter. Builders say their customers complain much more about bank charges than the low level of deposit rates.

The banks are trying to keep ahead in other ways too by paring their costs, developing more fee-earning services and ploughing more of their resources into new businesses. Lloyds' recent £5m investment in the Black Horse estate agency is a case in point. Said Mr Crawley: "We're going to have to squeeze every possible benefit out of our system for the customer."

But even that may not be enough. If the crucial battle Mr Bevan referred to is really on, the clearers may in the end be forced to drop their inhibitions and compete head-on. In which case the head of high street banking would be gone for good. Banks would start paying interest on current accounts (this has just started in the US, and the inflows have been enormous) but the general level of interest rates would probably go up, and there might even be

some creaks in the banking system as it took the strain.

There is an alternative: a truce. The banks and the building societies could decide to form an alliance rather than each other into the ground. Some signs of this are already emerging. Many societies have linked up with banks to create cheque book or credit card services. In his Bank of England article, Mr Flode goes so far as to predict that approaching the year 2000 the UK financial services industry could consist of a mere six or seven nationwide banking partnerships of this kind.

Concentration could go further still and lead to outright mergers of banks and their competitors, and the creation of those much-needed financial supermarkets offering every conceivable service at shopping centres or, more likely through the household TV. Broadly, the end result could be that the consumer has less choice than he or she has now.

Men & Matters

Interest pact

Two Warsaw Pact countries are pushing out the reddest of carpet this week for Britain's ex-Foreign Secretary, Lord Carrington.

Officially visiting Hungary and Bulgaria as chairman of GEC to promote the company's interests there, Carrington is evidently finding his hosts more intrigued by the speculation that he will be NATO's next secretary general.

Hungary's Foreign Minister, Peter Varkonyi, who turned out to meet Carrington in Budapest, apparently found it easier to sustain his enthusiasm about the economic situation than GEC is making for the country than about the NATO post.

Officially visiting Hungary and Bulgaria as chairman of GEC to promote the company's interests there, Carrington is evidently finding his hosts more intrigued by the speculation that he will be NATO's next secretary general.

New Zealander Bruce Hatherley is in London this week to launch his new game, Poleconomy, in the UK. It is already a fast-selling popular success in Australia, New Zealand, South Africa and Canada.

In line with his public structures against "megaphone diplomacy" towards the East, Carrington kept mum.

But President Todor Zhivkov of Bulgaria is to see Carrington today — and it may be no coincidence, as they say he is the next week.

It took him another three years to find business backers, and in the three years since, at the age of 31, he has become a millionaire. "Dollars, of course," he says modestly.

Hatherley's turn of fortune is remarkably similar to that of Charles Darrow, the jobless American who invented Monopoly in the 1930s — and he admits he owes something to the pioneer.

"I was always playing Monopoly as a teenager, and constantly trying to improve it by creating more money for the game and letting people put 2,000 hotels on Mayfair."

Poleconomy, which can be played at three different levels of skill, is essentially a game of business strategies against a background of politics, economics and finance. Some 50 companies have helped sponsor its promotion by paying to put their names — Lloyds Bank, Ford, British Airways among them — on the board.

"You can't blame them really — it's all those repeats."

Waddington — the company which has sold 15m sets of Monopoly since 1935 and still turns out half a million a year — tried to secure marketing rights for the new game in the UK. But it was beaten to them by Woodrush Investments, run by former Wilkinson Match chairman Denis Randolph.

Like Hatherley, he believes the game's chances of breaking through the company's dominance are good. In the year it was introduced in Australia, it outsold the old favourite. More than half a million have since been sold in Australia, New Zealand and South Africa, many of them to schools.

Advanced sales from its launch in Canada a month ago already total 200,000.

Now based in New York, Hatherley intends to introduce it through Mattel in the US next year. The US Treasury has already taken space on the board to promote government bonds.

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Given the venue, it is perhaps not surprising that attendance this year is up by about 50 per cent.

But the decision to cross the Channel, I am told, reflects the Law Society's recognition that membership of the EEC will increasingly involve UK lawyers in working with their brethren

in other member states. British solicitors, it is said, cannot afford to be insular and must see what they can learn from their continental colleagues.

French Minister of Justice, Robert Badinter will address the conference; Jacques Chirac, Mayor of Paris, is to be a dinner guest; and French lawyers will be taking part in most of the business and social sessions.

Brothers-in-law

The Law Society has shown a sympathetic awareness of human frailty in arrangements for its annual conference being held, for the first time abroad, in Paris this week.

Business sessions during the next two days have been restricted to the mornings — leaving ample time for the 700 or so solicitors attending to sample the Parisian fleshpots without playing truant from debates on such things as police powers, planning law, and "future developments in indemnity insurance."

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French Minister of Justice

ECONOMIC VIEWPOINT

Demand management, new style

By Samuel Brittan

DEMAND MANAGEMENT acquired a bad name in the early 1970s when it was associated with officially sponsored "dashes for growth" by both the Nixon Administration in the U.S. and the Heath Government in the UK. The objectives proved over-ambitious in the light of the shocks from which western economies suffered and of prevailing influences in the labour markets including, on the eastern side of the Atlantic, the increase of union monopoly power.

These growth attempts collapsed in the face of not merely high, but accelerating, inflation, which centralised pay and price controls proved unable to stem for more than brief periods. There followed stringent counter-inflationary policies accompanied by recessions which have made up much of the history of the last decade. Moreover, the likelihood that demand management aimed at full employment would eventually collapse had been pointed out before the event by various "counter-revolutionary" economists who did not share the then prevailing wisdom.

Nevertheless, the present fashion for dismissing demand management completely—prevailing not only among Thatcher ministers but also among business and technocrats who find the whole subject too

The present fashion has gone much too far

ethereal and ungritty—has gone much too far. Not because the criticisms of the 1970s were wrong, but because there is another kind of demand management to which they do not apply.

By placing the key words "monetary" or "nominal" before "demand"—and controlling the pace of cash spending in the economy—the danger of inducing runaway inflation is removed and the policy becomes one of achieving long-run price stability or whatever stable rate of inflation governments care to choose. Demand management then becomes akin to a nationwide cash objective,

like public expenditure cash limits but without the one-way restriction suggested by the latter term.

The task of securing full employment then falls to labour market policies. For wage settlements are crucial in determining how much of any increase in nominal demand, which is of course measured by Nominal GDP (the domestic product measured in money terms), goes in real output, and how much is frittered away in wage and price increases. A Nominal GDP objective can help indirectly by fostering a stable climate of expectations and by lessening the amount of wage adjustment required for full employment compared with a situation in which total aggregate expenditure is volatile and unpredictable.

A Nominal GDP target can be regarded as new style Keynesian demand management carried out in terms of cash expenditure rather than volume or "funny money." But in addition, and as a matter of definition, Nominal GDP is identical to any chosen measure of the money stock multiplied by its velocity of circulation. Thus it can be regarded as a monetary target adjusted for velocity changes.

The fact that new style demand management brings together two very divergent economic schools is a merit and should help to focus attention on real issues rather than issues and proper names.

Nevertheless, economists who come to the objective from the Keynesian side have inevitably a somewhat different perspective from revisionist monetarists. Prof James Meade—one of only two British economic Nobel Prize winners—the founder of the New Keynesians. In Volume One of his Stagflation study he suggested pay policies which would promote employment, and even those who are most suspicious of institutional incomes policies learned a lot from his analysis of labour markets.

In a second volume written together with another economist, David Vines, and a control engineer, Jan Maciejowski, the authors explain in detail how exactly they would control Nominal GDP. (Demand Management, Unwin, £7.50 and £16). The new volume contains

Prof. James Meade (right), one of only two British economic Nobel Prize winners, is the founder of the "New Keynesians."

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everything from lucid exposition of first principles and an analysis of the administrative problems of using taxes as economic regulators to a numerical attempt to show how the proposed policies would have worked since 1972, carried out on the Treasury model, and a treatise on control theory which requires more than A-level mathematics as it was taught in the Stone Age.

The great advantage of such a detailed strategy is that it provides answers in plenty for all the many governmental practitioners who ask "Now would you control nominal GDP?" On the other hand, people who agree on this objective may disagree on how best to approach it or they may say it at least in the early stages, in more informal terms as a way of introducing some hierarchical order into the present medley of intermediate objectives which the British Government's medium term financial strategy has now become.

The new volume also contains further analysis of the kind of wage behaviour which would promote employment. The key is for wages to be more sensitive to unemployment and

Ashley Ashwood
Prof. James Meade

The chief Meade instrument for regulating Nominal GDP would be fiscal policy—preferably indirect tax changes, if wage behaviour could be modified as suggested.

This is not a completely hopeless attempt: for once people believe they are in a world of long-run price stability, or low and stable inflation, they may come to see price shocks resulting from tax increases or import price increases as temporary disturbances to real output which it would be rational to grin and bear.

Official reserves and borrowing and lending are seen as important shock absorbers for the balance of payments. In the slightly longer term the use of interest rates is recommended to maintain a "competitive exchange rate."

The re-run of the post-1972 period suggests to the authors that Nominal GDP can be regulated to a surprising degree of accuracy to describe the dramatic behaviour of the published quarterly series, provided we are willing to put up with frequent and large variations in indirect taxes. There are, however, other supporters of a Nominal GDP objective who see it more as a long term moving average and would be prepared to accept greater short-term deviations. Either approach would be better than the other main policy recipes on offer today.

A key finding is that even the degree of sensitivity to unemployment shown in recent years might have been sufficient to mitigate the unemployment explosion if wages had been less sensitive to price shocks, for instance, from oil price changes or VAT increases. As this conclusion is based on a wage equation which appeared fleetingly in the 1980 version of the Treasury economic model, it is thus not the last word, but it is still most interesting.

On the financial side, the authors have the objective: Nominal GDP itself, as a balance of payments equilibrium. The latter is a policy objective because of a desire to avoid the overshooting recently characteristic of freely-floating exchange rates. (They make a strong case for measuring GDP at factor cost which would in any case be necessary with their choice of instruments.)

The most startling result of the historical simulation is the large current payment deficit which would have appeared in some recent years. A lower real sterling exchange rate would have worked to eliminate these deficits but with the usual lags, and in the meanwhile, they would have had to be financed either by attracting private capital inflow or by official borrowing.

This result does not depend on the details of the Meade study, but would have followed from almost any successful full employment policy pursued by one country in a recessionary world. My own guess is that if wage behaviour had really changed on Meade lines this change, together with North Sea oil prospects, would have ensured the available overseas finance.

I would like to end on a frankly specialist note. The most paradoxical rule suggested

by the authors is that if a country's investment is inadequate interest rates should be lowered. This will, it is hoped, lower the real exchange rate, and boost the current balance of payments—thus stimulating overseas investment as well as capital spending at home. Taxes would then have to be raised to curb consumption.

I will make a very rash guess that when the system is fully operational something like a PSBR constraint will re-emerge; in that the ultimate long-run instruments of demand management are exchange rates and interest rates. As the world as a whole cannot have an exchange rate target, the ultimate weapon thus becomes nominal interest rates, which depend on the quantity of monetary assets created by government.

More explicit consideration of monetary factors might also have lessened the emphasis on frequent tax adjustments. This arises not just from perfectionism, but also from a fear that once Nominal GDP is allowed to slip in either direction cumulative inflationary or deflationary forces will gather momentum.

One does not have to be a technical monetarist to suppose that some rough stability in the

stock of monetary assets would put some brake or limit on these cumulative disturbances.

It is less upsetting to the Meade system to admit this, if the ultimate control weapons for nominal magnitudes turn out to be more monetary than appears on the surface.

But these quibbles from those of us who are sympathetic without being disciples must not obscure the fact that the Meade research programme is the most encouraging development in British macro economics at the moment, and dwarfs in importance all the political party conferences in Brighton and Blackpool for many years past.

Public spending rituals

By Peter Riddell

AFTER TODAY'S Cabinet discussions on public spending there will no doubt be headlines warning of bitter clashes and hard choices ahead. But as with all good sagas we have been here before. There is a large element of ritual in expenditure debates. And even though the Treasury has refused to release its internal manual on how to conduct public spending negotiations, here are some glimpses into its folklore.

Cabinet decision." Yet the talks between the Treasury and Ministers often leave spending well above the target level. The Chief Secretary of the Treasury then goes into (6), "the usual bilateral haggle across the Cabinet table on overseas aid, employment measures, housing and construction, education, health, social security, the urban programme and steel."

In addition, there is (7) "a be 'fiddled', and if purists dislike that word, 'adjusted' is an acceptable alternative in economic jargon. There are 'estimating changes', always the ultimate, long-run measure of the continuing process, itself is reasonably flexible. So too are estimates of 'shortfall.'

Then comes the problem of prioritisation (8) "we and outside commentators imbue a public expenditure total of over £100bn with a spurious accuracy, as if we are planning to within the nearest £1m." After all, (9) "every government learns pretty quickly that it is easier to talk about restraining public expenditure than to make cuts which can have any immediate impact."

In case anyone thinks this is imaginary, the quotations (with only tenses and one figure altered) are: (1) from the confidential version of the Plowden report of 1961; Sir Richard Clarke's Public Expenditure, Management and Control; (2) from W. E. Gladstone 1868; (3) from Sir Leo Platzy's Getting and Spending; (4) to (8) from Lord Barnett's Inside the Treasury; and (9) from Lord Wilson's The Labour Government 1964-70.

If past form is any guide, the progress report will lead to a lively fortnight of haggling involving some senior Cabinet figures as an arbitrator, compromises in the first 10 days of November, a small raid on the £2bn contingency reserve and public claims that the original spending target is being honoured; that is, of course, until it is breached next year. And discussions about longer-term priorities will again be deferred.

Letters to the Editor

Debt strategy - banks are not the only concern

From Mr S. McClelland

Sir—The article on global debt by Professor William Cline (October 12) concerns, from starting point to its incoherent conclusion, how the debt crisis can be minimised for the banks. Although the safety of the banking structure may be a worry, concern about it is obviously uppermost in the minds of the debt negotiators—it should not be the only concern. But there is a danger that it is becoming one.

As his article explains, for the remainder of the 1980s the debt crisis will be handled on a case by case approach, and will, he says, be buttressed by recovery in the Organisation for Economic Co-operation and Development area. Just enough debt rescheduling, aid, export credits and so on will be provided to developing countries to allow them to gradually pay back their loans, and to do no more. All this will be conditional upon the implementation of tight austerity programmes. This strategy will work, according to Cline's model, so long as nobody rocks the boat.

I have my doubts whether such a boat is worthy of floating. As a scenario of how the world

economy should function over the rest of the decade, it is taking a decidedly minimalist course, although I suppose this does have the merit of saying what is the least that should be done.

Let us consider his view of recovery in the OECD area. Anticipated growth rates of only 3 per cent for 1984-86 will not be enough to bring unemployment down in the OECD area: hardly a "recovery." Expected OECD growth rates are unbalanced in favour of the U.S. and against Europe, which is helpful to the countries which are predominantly in Europe markets to recovering into European markets to repay debts. Government action to promote a stronger and more even OECD recovery, more akin to the 4 per cent between 1976-78, would be of greater help all the debtor countries. But of course, the higher growth rates of that period were helped by the still buoyant OECD exports to developing countries, something which cannot be expected if conditionality clamps down further on their domestic demand.

It must be said that searching for debtor countries' political breaking points as the criterion for severity of conditionality is a funny, but decidedly unamusing, way of organising debt repayment. Politically, it is a recipe for dictatorship and repression. With the talk of recovery still echoing from Williamsburg, Cline's debt strategy has developed nations will be eye-to-eye to development for the rest of the decade. The International Monetary Fund's search for a better solution must go on.

Stephen McClelland,

56, Southampton Street,

Brighton,

Sussex,

The voice of America

From the Chairman, Watkins-Jackson Co.

Sir—Mr Jurek Martin, writing from Tokyo (Lombard, October 7), has demonstrated that impartiality in radio broadcasting is in the ear of the listener just as beauty is in the eye of the beholder. His personal bias against the "current American regime" is clear to see. He might have referred to the government headed by the present occupant of No. 10 as the "current British regime" but he didn't.

I have been listening to the English broadcasts of the Voice of America (mostly African Service) and the BBC World Service for the past 20 years, whether here at home or travelling in various places. I find that the left-wing, anti-business, anti-free-market bias that pervaded the news and features of the VOA during the Ford and, particularly, the Carter periods has not largely disappeared. To me the VOA has become approximately as neutral as the BBC usually is. I have heard many of the editorials "purporting to represent the views of the U.S. Government" which are a new feature of the VOA. Mr Martin may be right when he suggests that these things do not need to be said to the Japanese but they clearly need to be said to many people in other parts of the world and I am pleased that the "current American regime" is saying them.

Although Mr Martin is to be congratulated on his ability to recognise that Radio Moscow and Pyongyang "truly are awful," he clearly needs help, not only with his thought processes but also with his portable. While in Japan for a week in early August, I was able to receive the BBC every day, morning and night, on my portable without any difficulty. I suggest that he try 11855 KHz at 7 am Japanese time and 11750, 15230, or 15360 at 6 pm and 9740 at 8 pm for the BBC. Then he won't have to listen to those "opinions of the U.S. Government" (that) would terrify any self-respecting State Department official."

Dean A. Watkins.

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Iraq and Turkey in LPG pipeline agreement

By David Barchard in Ankara

TURKEY AND IRAQ yesterday signed an agreement to build a pipeline to carry 3m tonnes of liquid petroleum gas (LPG) annually from the Kirkuk fields to the Mediterranean at Yumurtalik.

Feasibility studies will begin in December and completion is expected by late 1986. The project was first considered last February when Mr Taha Aziz, the Iraqi Deputy Prime Minister, visited Ankara. Turkey has also been considering possible natural gas pipelines from Iran and the Soviet Union.

The agreement, which was signed on behalf of Iraq by Mr Kasseim Taki, the Iraqi Petroleum Minister, may have repercussions on the delicate diplomatic stance which Turkey has adopted on Iran and Iraq.

Although Iraq has traditionally been Turkey's major supplier of crude oil, Iraq has easily outstripped it as a trading partner this year, and total Turkish-Iranian trade is expected to be around \$1bn by the end of 1983.

Recently, Turkey has been alarmed at the possibility that the existing 900km pipeline between Kirkuk and Yumurtalik, which carries 35m tonnes of crude oil to the Mediterranean, could come under fire as a result of Iranian advances into northern Iran.

Last week, new measures were announced for the military protection of the line, and some Turkish units are believed to be guarding it on the Iraqi side of the border.

Earlier this year, the Turkish construction company Etsa won a contract to expand the pipeline to an eventual annual capacity of 50m tonnes of crude.

Although the Turkish Government is unwilling to say so openly, economic links with the Baathist Government in Baghdad have become so important for Turkey that it views a conclusive Iranian victory in the four-year-old Gulf war with alarm.

Turkish troops have been maintaining security along both sides of the border with Iraq since last May, when Turkish troops crossed into Iraqi territory in pursuit of Kurdish guerrillas. The exact extent of their incursion, made with the full consent of the Baghdad Government, has never been revealed.

Turkish officials said today that the LPG from the pipeline would be used as a feedstock for industries in the country's southern and eastern provinces.

Creusot-Rolls talks on gas turbine plan

Continued from Page 1

fitting proposals under discussion for reforming the European Community.

It is also possible that the achievement of a significant industrial collaboration now would help to reduce the tensions between the two countries over agricultural policy and the EEC budget.

Creusot was unable to conclude a deal with Rolls, it could talk with two other European manufacturers of large gas turbines that use their own technology: the General Electric Company of Britain and Brown Boveri of Switzerland.

Farm payments frozen

Continued from Page 1

and the maximum revenue that can legally be drawn from member states may be little more than 200m Ecu.

Without actual economies in farm spending, the suspension of payments could thus ensure that the Community runs out of money next year. The Commission, anxious to avoid this, is urging member-states to take early de-

Lisbon states its resolve to cut budget deficit

By DIANA SMITH IN LISBON

THE PORTUGUESE Government's resolve to stabilise the country's finances has been reaffirmed in the letter of intent to the International Monetary Fund, which was released yesterday 24 hours after the 1984 austerity budget was published.

In return for a standby loan from the IMF of SDR 455m (£473.5m), the Government of Dr Mario Soares has undertaken to contain public spending and reduce private demand in order to bring down the balance of payments deficit on the current account to \$2bn at the end of this year and \$1.25bn at the end of 1984.

To achieve this, according to the letter of intent, the Government will work for substantial and sustained reductions in the state budget deficit. This means adjustment in the rates of various indirect taxes and improved tax enforcement, while wage rates for civil servants will be contained in 1984 and limits on hiring will be upheld. Public spending will also be controlled.

The Government intends to supervise Treasury operations more closely and strictly enforce the requirement that public sector borrowing must be authorised by the Ministry of Finance.

A joint committee of the Ministry of Finance and the Bank of Portugal, the central bank, has been set up to monitor domestic and foreign credit to the public sector and to en-

sure better co-ordination of the public sector borrowing requirement.

Having increased the prices of subsidised staple goods in June, the Government says that this achieved a surplus in the fund which subsidises these goods of Esc 18bn (£14.2m) this year after years of deficit. Next year, the surplus in the fund will increase to Esc 35bn because of more flexible pricing policies.

The letter of intent commits the Government to improving the self-financing of public sector enterprises and to a thorough review of their investment programmes. This review will be carried out before the end of this year.

Furthermore, the Government is committed to keeping wage increases in public enterprises below the rate of inflation in both 1983 and 1984.

When public enterprises are in severe financial difficulties, wage increases will be held below other averages. The wage policy for the public sector will, the letter of intent says, serve as a guide for wages in the private sector.

The letter of intent is particularly strong on containment of credit: the Government undertakes to decelerate growth of monetary and credit aggregates by enforcing credit ceilings set by the Bank of Portugal and increasing the effective cost of credit.

Interest rates were increased

twice in 1983 by a total of 7.5 per cent. The Government will now allow the rates to rise or fall according to domestic inflation and foreign interest rates.

Subsidies on credit to export are being eliminated and other subsidised interest rates are being reviewed so as to prevent abuses.

A total ceiling has been set on credit extended by the banking system by Esc 2,780bn by December 1983, and Esc 3,410bn by December 1984.

In foreign borrowing, the Government commits itself to holding the total foreign debt to no more than \$13.8bn at the end of 1983 and \$15bn at the end of 1984.

The foreign debt had escalated rapidly in the last three years particularly its short-term factor. Within the ceilings agreed with the IMF, the short-term foreign debt, including liabilities of the Bank of Portugal and of the banking system, which stood at \$3.75bn at the end of 1982, must not exceed \$3.5bn at the end of 1983 and \$4bn at the end of 1984.

The standby agreement with the IMF operates between October 7 this year and the end of February 1985. The loan will be disbursed in quarterly tranches, each tranche depending on fulfilment of the basic performance clauses: containment of the budget deficit, and of the balance of payments deficit, and foreign borrowing.

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Elf to cut French workforce by 7% in four years

By Paul Betts in Paris

ELF AQUITAINE the state-controlled French oil company, plans to lay off about 7 per cent of its French workforce over the next four years as part of its programme to restructure its lossmaking heavy chemicals and refinery businesses.

The layoffs are part of a strategic plan for 1984-87 unveiled yesterday by M François Didier, the company's planning director. About 4,000 of Elf's 60,000 workers in France will be affected, equally divided between chemicals and refinery operations.

Elf is facing heavy financial strains because of the depressed state of the French refinery business and the company's new heavy chemicals activities, but M Didier said Elf expected to remain a strong profitable group in the medium to long term.

The company took over the heavy chemicals activities of the French nationalised PUF group and full control of the heavy chemicals business it formerly owned jointly with Total, the other large French oil company.

M Didier said Elf expects to inject about FF 1bn (£500m) over the next three to four years into Atochem, the Elf subsidiary grouping the new chemical assets.

He acknowledged that Elf's \$2.5bn acquisition of Texas Gulf, the U.S. mineral and energy company, had proved a disappointment so far, but he still expected the U.S. company to be an important contributor to Elf's profitability in the long term. M Didier disclosed that Elf had turned down an approach from a U.S. oil company interested in acquiring part of Texas Gulf.

M Didier also said Elf plans to spend \$100m a year on exploration in the U.S.

Elf reported net profits of FF 2.78m in the first half of this year.

Thomas Cook loses UN travel account

By William Hall in New York

THOMAS COOK, the UK travel agency, has lost its near 40-year old monopoly on providing travel facilities to the United Nations in New York.

The company lost the prestigious account worth \$17.5m a year, after the UN General Assembly instructed the UN Secretariat to take a new look at the way travel facilities were being provided and put the contract out to tender for the first time. The UN contacted 177 travel firms and eventually 10 submitted bids.

The new contract has been awarded to Don Travel, a New York company, and it will take over the account and move into Thomas Cook's offices in the UN building at the start of November. Thomas Cook will retain the account for providing travel services to the UN in Geneva.

Thomas Cook, which ranks among the top three companies in the U.S. business travel market, said it was sad to lose the account but stressed that it had not been particularly profitable because of the level of service required.

Mr David Hillman, vice-president of finance and administration at Thomas Cook in New York, said yesterday that the loss of the UN account "did not have any material effect on our business whatsoever."

He said that in the company's latest financial year, which ends at the end of this month, it had had a very successful year in the U.S. It had recently gained several major accounts from big U.S. businesses for the provision of travel facilities.

The loss of the UN contract is the latest blow for Thomas Cook in the U.S. Last year AAA, the big automobile organisation, stopped issuing Thomas Cook travellers' cheques in favour of a rival brand.

Midland Bank, Thomas Cook's parent, is still anxious to retain control of the U.S. company despite an order that it should sell Thomas Cook in the U.S. as part of the deal whereby permission was given to take over Crocker Bank.

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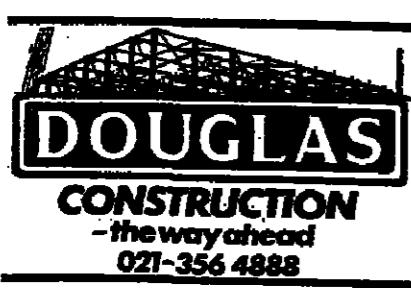
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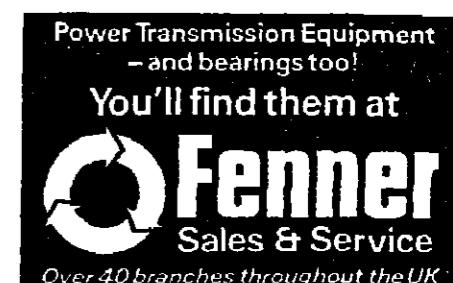
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SECTION II - INTERNATIONAL COMPANIES

FINANCIAL TIMES

Thursday October 20 1983



NEW PERSONAL COMPUTER WILL RIVAL 'LISA' IN PERSONAL COMPUTER WAR

IBM aims to crunch the Apple

BY LOUISE KEHOE IN SAN FRANCISCO

IBM has targeted Apple Computer and is intent upon making Apple a weak number two in the \$15m personal computer market, according to U.S. industry analysts.

IBM's announcement of new high-performance versions of its personal computers (PCs) on Tuesday was directly aimed at Apple Computer's Lisa computer, according to Mr. Richard Matlack, president of InfoCorp and a long-time follower of the U.S. computer industry.

On November 1, IBM is expected to announce a low-cost home computer, the PC Junior, which will compete directly with Apple's multimedia Apple IIe product.

The PC Junior is expected to sell for \$700 for a basic version and \$1,700 for a system equivalent to an Apple IIe. The PC Junior will run programs designed for the original IBM Personal Computer.

The PC Junior will force Apple to cut the price of the IIe by around \$300 to remain competitive," suggests Mr. Matlack.

Apple, however, says it has no

plans to cut its price. Instead, Apple will add new features, including a "mouse" controller to the IIe, said Mr. John Sculley, Apple president.

Apple's strategy will be to position itself as the technology leader, said Mr. Sculley.

"Long term, that is the only strategy that will be successful for Apple," he said. "We will have to find a role that will offer people something in Apple products that they will not find in IBM products."

"IBM is prepared to give people pedestrian technology and compatibility between all IBM products. We have to be totally distinctive and we must do that with our Lisa technology."

With the introduction of the new IBM personal computers, however, Apple's strategy no longer appears viable. The IBM 3270 personal computer is designed for the corporate market of companies that already own IBM mainframes and are currently purchasing many personal computers.

Mr. Sculley said: "We were perhaps naive in thinking that we could go head-to-head with IBM in

including high-quality graphics and the capability to handle several different tasks concurrently."

Both Lisa and the new IBM personal computer use windows on the video screen to display simultaneously several different sets of data.

Significantly, IBM has undercut the price of Lisa by around \$15m during the next five years, IBM plans to manufacture its range of personal computers at Wangaratta, in Northern Victoria, for sale in Australia, New Zealand, and South-East Asia.

In addition, IBM has announced a new version of the XT personal computer that can run some programmes designed for use on the IBM 3270 mainframe computer.

Apple Computer will now find it difficult to sell into the corporate market, analysts predict. Apple Computer recently changed its marketing plans for Lisa, emphasising retail sales over direct sales to corporate buyers.

IBM launched its PC in Australia earlier this year, and is hoping for 1983 sales of more than 5,000 units.

the corporate market. It is clear that IBM realises that the Lisa is a strategic integration point in the office automation market. At no cost will they let anyone else get on to that Lisa top."

Michael Thompson-Neil in Sydney writes: In a development costing more than \$150m (U.S.\$91m) during the next five years, IBM plans to manufacture its range of personal computers at Wangaratta, in Northern Victoria, for sale in Australia, New Zealand, and South-East Asia.

It has also announced software development programmes for Victoria and New South Wales, with a support centre designed to generate international sales planned for Sydney.

IBM Australia hopes to start supplying the Australian market with locally produced personal computers by next July, with sales to New Zealand and South-East Asia expected to begin in 1985.

Gotaas-Larsen's results have not been benefited from any big asset sales this year. In the first half of 1982, it made a \$20.8m after tax gain on the sale of the Northcott drilling rig.

The company said it expected the full year 1983 to be profitable. Last year, it made a \$73.3m net loss as a result of a special \$75.5m provision for its laid-up liquefied natural gas (LNG) carrier, the Golar Spirit.

This ship has now been chartered to Pertamina, the Indonesian oil and gas company, for 20 years from 1986. The other four LNG ships are trading profitably.

The Golar Frost, a liquefied petroleum gas carrier, turned in further disappointing results, as did the chemical carriers. Both cruise ships were profitable.

Revenues during the quarter totalled \$43.1m against \$45.3m.

At the same time, the airline has tackled the discounting fare war by developing a new distance-related fare structure which has won wide support among travel agents.

These operating improvements were reflected in the big jump in operating income to \$125.7m against \$47.9m a year ago. Revenue rose by much less, increasing by 14.2 per cent from \$1.13m to \$1.29m, but traffic improved by 8.7 per cent, and yields - the average amount of revenue received per passenger mile - went up by 4.5 per cent.

American Airlines achieves strong earnings recovery

BY TERRY DODSWORTH IN NEW YORK

AMERICAN AIRLINES, the second largest U.S. domestic carrier has achieved a spectacular profits turnaround in its third-quarter results, mainly due to productivity gains and higher yields on its passenger traffic.

Net earnings of the airline's parent company, AMR, rose to \$100.7m or \$2.05 a share against only \$17.6m in the same quarter a year ago.

The figures were boosted by a clawback of provisions on anticipated aircraft disposal losses, but even after a net gain of \$16.9m for these non-recurring items, the results were enough to push the share price up sharply in early trading yesterday.

American has played a pioneering role among the U.S. airlines in tackling its labour costs - a move that has since been widely followed in the industry. Earlier this year it signed a new agreement with its mechanics, which awarded substantial pay increases over a three-year period in return for abandoning automatic cost of living adjustments and adopting much more flexible working practices.

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International Bank for Reconstruction and Development

Canadian \$75,000,000

12 1/4% Canadian Dollar Notes of 1983, due October 13, 1990

Issue Price: 100%

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Algemene Bank Nederland N.V.
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Deutsche Bank Aktiengesellschaft
Morgan Stanley International
Orion Royal Bank Limited
Société Générale

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Nederlandsche Middenstandsbank N.V.
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Sarasin International Securities Limited
Standard Chartered Merchant Bank
Svenska Handelsbanken Group
Westdeutsche Genossenschafts-Zentralbank e.G.
Yamaichi International (Europe)
Yasuda Trust Europe

Sharp rise in earnings and dividend at Nedbank

BY OUR JOHANNESBURG CORRESPONDENT

SOUTH AFRICA'S third largest banking group, Nedbank, maintained its strong profit advance in the year ended September 30 1983. Disclosed profit after tax and transfers to inner reserves rose by 37.2 per cent to R121.6m (US\$108.7m) from R88.6m.

The group's total assets increased by 30.1 per cent to R10.6bn from R8.1bn.

At the start of the financial year the directors said that the year's profit advance would be based on wider lending margins rather than on growth in lending. This was the case during the first three quarters, however, margins narrowed in the final three months while business volume increased

strongly. Group chief executive, Mr Rob Abrahamsen attributes a large part of the year's profit growth to the fine balance of Nedbank's business base. During the year the new northern hemisphere operations also made a useful contribution to group profits.

The non-South African operations were boosted by participation in several large foreign fund-raising exercises for South African clients.

Mr Abrahamsen believes that as the group has a capital surplus of R131m, which theoretically would allow the bank to increase its liabilities to the public by about R2bn, it is well

prepared for the next upswing in the South African economy.

The total dividend has been increased to 68 cents from 60 cents a share while earnings rose to 137.1 cents from 109.2 cents.

As part of its current R12m two-year bus and truck manufacturing expansion programme, Leylands of South Africa is to buy its assembly plant in Cape Town, at Elsies River, from the McCarthy group. Leylands has leased the 100,000 sq metres plant for the past 10 years. The plant's single shift capacity is 26,000 vehicles a year and at present it is used to make the Renault 9 car.

Sony said it agreed to let Minebea take over Audio Research because it appreciated Minebea's production technology. It denied reports that the transfer could be followed by the sale of other production subsidiaries.

The Sony group includes about 60 wholly-owned subsidiary companies, some of which manufacture colour TV and video tape recorders. Sony's manufacturing subsidiaries conduct independent recruitment of blue collar and junior white collar workers but are managed by staff seconded from the parent company.

Senior Sony staff now working at Audio Research are expected to be moved back to Sony over a period of a few months following the formal transfer of ownership on November 1. Rank and file workers will remain with the company on the same terms as before the transfer.

Audio Research was established in 1968 as a joint venture between Sony and Pioneer, Japan's largest specialised audio equipment manufacturer, but became a wholly-owned Sony subsidiary in 1972. The company's annual sales are estimated at around Y550m (US\$152m). Sony declined yesterday to confirm reports that Minebea had agreed to a purchase price for the company of Y1.5bn.

Minebea has enjoyed extremely rapid growth in the past few years on the strength of sales to the consumer electronics industry. The company recently began making car stereos. Minebea has been supplying Sony with bearings and other electronic components for some years and the two companies have what Sony described as a close business relationship.

The move, carried out by presidential proclamation, was made a day before the ruling Congress (I) Party holds its last annual session in Bombay before general elections for parliament are announced and is seen as many as an election gambit.

The nationalised mills are those which the Government claims had not re-employed all the workers on their payroll and had not restarted operations. The strike began in January 1982 and has never been officially called off. Dr Samant claims that even now the mills are not operating.

Nevertheless, the Government and the mill-owners insist that the strike has fizzled out and normal operations have been resumed in most of the 50 mills.

The decree said the 13 mills owed large sums to public financial institutions and they did not have the resources needed for re-investment to put them back on their feet.

IRLAND

US\$180,000,000

Banking Note due October, 1988

In accordance with the provisions of the Note, notice is hereby given that the rate of interest for the note in Interest Period has been fixed at 10 per cent per annum. The Coupon Amount will be US\$18.23 for the US\$5,000 denomination and US\$129.1647 for the US\$520,000 denomination and will be payable on 24th April, 1984, against surrender of Coupon No. 5.

Manufacturers Hanover Limited Agent Bank

GE reduces holding in Toshiba

By Our Financial Staff

GENERAL ELECTRIC, the U.S. electrical giant, has sold part of its 8.3 per cent stake in Toshiba, one of the leading Japanese electrical goods manufacturers.

The GE sale of 60m Toshiba shares reduces the American company's holding to around 6 per cent and is estimated by brokers to have realised some Y22bn (US\$35m). The shares were reportedly bought by Japanese financial institutions.

Toshiba and GE say the sale does not represent any change in relations between the two. GE says its holding was strictly of an investment nature and the partial sale will not affect licensing or technology agreements with the Japanese company.

Analysts consider that the sale is part of GE's re-shaping of its interests, which has involved some sizeable sales of assets in Australia and elsewhere. The funds from the sale are to be used to finance other business activities, the company said.

This Advertisement is issued in accordance with the terms of the Notes (as hereinafter defined)

NOTICE to the HOLDERS of TOTAL OIL MARINE p.l.c. (the "Company") 91% GUARANTEED STERLING FOREIGN CURRENCY NOTES DUE DECEMBER 1, 1984 (the "Notes")

On Wednesday 19 October 1983 Compagnie Française des Pétroles (the "Guarantor") acquired 100% of the issued ordinary share capital of Total Oil Holdings Limited ("Holdings") in exchange for the whole of the issued ordinary share capital of the Company and Total Oil Great Britain Limited.

Holdings is a company incorporated in England with limited liability and having an authorised and issued share capital of £25,500,000.

THE FOLLOWING APPOINTMENTS HAVE BEEN MADE TO THE BOARD OF HOLDINGS:

P. L. BURGIN	— CHAIRMAN
A. J. M. BRION	— DIRECTOR
A. PARQUET	— DIRECTOR
D. RENOARD	— DIRECTOR

The Guarantor's obligations under the Notes remain unchanged.

October 1983

All of these securities having been sold, this announcement appears as a matter of record only.

October, 1983

1,200,000 Shares



THE CANNON GROUP, INCORPORATED

Common Stock

E. F. Hutton & Company Inc. Furman Selz Mager Dietz & Birney Incorporated

Bear, Stearns & Co.	Alex. Brown & Sons
Hambrecht & Quist	Lazard Frères & Co.
L. F. Rothschild, Unterberg, Towbin	Shearson/American Express Inc.
Smith Barney, Harris Upham & Co.	Wertheim & Co., Inc.
Cazenove Inc.	Dean Witter Reynolds Inc.

Bank Julius Bär & Co. AG	Compagnie de Banque et d'Investissements, CBI
Hambros Bank	Pierson, Heldring & Pierson N.V.
Vereins- und Westbank	Samuel Montagu & Co. Limited

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Radio advertising

Kleenex sounds out a neglected medium

BY FEONA MCEWAN

OF ALL advertising media television has always scored top marks for visibility and impact. But the medium doesn't have it all its own way. Escalating production and airtime costs—30 per cent higher than they were eight years ago, or nearly double the increase in the retail price index—have forced some loyal advertisers to seek new ways of spreading the word.

Independent local radio (ILR) is one obvious contender and is set to gain a larger share of the cake, though expenditure figures for 1982 show that television had almost 30 per cent of the total media spend at £928m and commercial radio had £60.8m (about 2 per cent).

Just 10 years old this year, commercial radio is a relatively young medium, still in the business of wooing advertisers and indeed learning how to market itself. It has always appealed particularly to the local advertiser on a modest budget, but major advertisers have been hard to woo.

The picture, however, is changing. ILR has been sprucing up its image, centralising marketing operations, and ex-

tending the network. There are now more stations than ever—40 in all, which cover 85 per cent of the country and 33m potential listeners. Less glamorous than television, maybe, less reach, definitely (a national radio campaign reaches on average about half the consumers of a national TV campaign), radio, especially—radio may be forgiven for feeling under-used.

Creatively, there are still too few copywriters with an ear for the medium, which requires quite a different approach. The concept of "television without pictures" is still too common, though outstanding exceptions like David Abbott's Volvo campaign and Leagan Delaney's Philips campaign prove just how sensational radio advertising can be.

This week the evidence contained in a case study of a national advertiser should give radio a major boost. It comes from Kleenex, a top drawer tissue from the Kimberly Clark stable. You may think that, like Thermos and Hoover, Kleenex was in the happy state of being mistaken as the generic and as such that the tissues sold themselves. It's a measure of the increasing pressure on branded

goods from retailers' own labels that this is not the case.

Despite its top tissue status,

Kleenex (which holds 27 per

cent of the overall market

and is brand leader with

Kleenex for Men) was prompted to try radio after many years on television following its 1982 TV

Edinburgh and Glasgow, and on both radio and television in the Grampian region. The radio campaign ran for six weeks, giving 65 per cent of housewives the chance to hear the message about 28 times each, compared with the five-week TV campaign which gave 85 per cent of housewives 5.4 chances to catch it.

When the agency (D'Arcy MacManus Masius) tested the campaign it discovered that in the radio-only area there was a significant jump in so-called prompted awareness—over third higher than Kleenex had ever achieved previously with TV.

Brand awareness of Kleenex for Men showed no significant change either on radio or television. Neither did image change.

However, the sales figures, the backbone of advertising effectiveness, were high enough to give a smile onto the face of every Kleenex executive. The first six months' sales for Kleenex tissues in Scotland were up by 14 per cent compared with 5 per cent for the rest of the UK (which had carried a TV only campaign).

A similar radio campaign is now running until the end of the year in Ireland, Scotland, and Canada. If this is successful Kleenex could go national on radio next year.

Radio advertising, it seems,

for one month in 1982) leapt to top place in every single month of 1983 in Scotland. Prompted awareness of any Kleenex ad was up by a staggering 78 per cent.

On the back of this success Kleenex repeated the exercise in the second half of the year with fewer spots during the campaign period. Results showed Kleenex tissues up by 14 per cent generally, but Kleenex for Men registered a remarkable 35 per cent rise.

"A very successful campaign," says Ron Huggins, group product manager, facial tissues, Kimberly Clark. "Pound for pound our investment proved much more worthwhile on radio than STV. The benefit of radio is that though it gives you lower coverage, it allows you higher frequency (ie, you can reach fewer people but hit them more often). The question is how we can repeat this."

A similar radio campaign is now running until the end of the year in Ireland, Scotland, and Canada. If this is successful Kleenex could go national on radio next year.

Radio advertising, it seems,

West Germans encourage the bookshop browser

BY JOHN DAVIES

THE BOOK TRADE in West Germany is trying to turn over a new leaf. Publishers and book-sellers are becoming more aware that books can't be sold for ever in the old ways and that customers, young and old, have to be attracted by a careful marketing strategy.

A sign of the times was an unusual object at the International Book Fair which ended in Frankfurt this week. It was not a book; it was a vehicle. A cross between a train and a truck, it was a big brightly-coloured vehicle with simple seats for children to sit at the steering wheel. But along the sides of the vehicle were racks of books on display.

Marketing aids like this are designed to remove the musty and forbidding atmosphere which pervades quite a few bookshops in West Germany. They are a calculated attempt to associate reading with other interesting pastimes. The vehicle, too, represents an attempt to "get 'em young" before potential customers are lost to a world of video games and personal computers.

The Börsenverein des Deutschen Buchhandels, the association which claims to represent most publishers and booksellers, readily concedes that some bookshops could be made to appear more friendly to customers.

Bookshops, like other retail outlets in West Germany, have a long tradition of personal service. When a customer enters, he is usually approached fairly promptly and offered assistance. This is all very well if the customer knows what he or she wants. But if the purpose is just to browse, the welcome is just as welcome as the awkward stalemate if a customer wants a copy unwrapped to look at it but the sales assistant is reluctant to risk dirty fingermarks soiling the pages.

Browsing among hardbacks can in any case be difficult in German bookshops which are often small and tightly packed from floor to ceiling. Another obstacle is the practice of wrapping books in cellophane paper, which often leads to an awkward stalemate if a customer wants a copy unwrapped to look at it but the sales assistant is reluctant to risk dirty fingermarks soiling the pages.

From the bookseller's point of view, of course, space is precious and the number of titles is overwhelming.

Moreover West Germans—despite the view of foreign cynics—are a methodical people and generally know what they want, even in the case of books. So who needs to waste time browsing?

Nevertheless, there are signs

that bookshops in West Germany are increasingly trying to attract customers and are more prepared to tolerate browsers. This is part of a conscious rethink of the trade's marketing strategy.

After all, the book trade has been going through a couple of worrying years. Taking account of inflation, bookshops suffered a slight decline in sales revenue in real terms in 1981 and a more pronounced setback last year. The whole book and magazine trade last year produced revenue of about DM 8.2bn (£2.1bn) up only 2.4 per cent, with bookshops taking 62.1 per cent of the market. Department stores 5.2 per cent, book clubs 7.2 per cent, publishers direct sales 11.5 per cent and other retail and mail order outlets 24.0 per cent.

In the medium to long term, the West German book trade is concerned about competition from the electronic media and its effect on the reading habits of the young. Television today competes for children's leisure time and tomorrow they may be caught up with electronic sketching or even more advanced computer and video pastimes.

In a bid to counter this trend, the German book trade is distributing little round stickers for children. The stickers have catchy slogans such as: "Lesen statt dösen" (read, don't doze off), "Besser Buch als blöd" (it's better to read books than to be stupid), and "Buch macht klug" (books make you smart).

Günther Christiansen, president of the Börsenverein, has dismissed suggestions that electronic media present any real threat to books but is there any marketing strategy to prevent books, newspapers or magazines being viewed on a screen—or even read aloud by an electronic voice?

Mitel

In yesterday's article on Mitel on this page the chart of the company's share price was quoted in dollars. The prices shown were, in fact, Mitel's London quotation in sterling.

AD HOC

IF YOU think you're seeing double, triple or even quadruple when you gaze on London's buses from now until Christmas, don't worry. You're meant to.

In the most intensive campaign ever booked by London Transport Advertising, half the available space on all the red double-deckers will be ensuring we all know the name Sharp Electronics. Altogether some 3,200 bus sides—with a further 450 in December—will feature eight different posters. The campaign, which runs nationally throughout other major cities, totalling 11,000 sides around the country, will cost £650,000.

SLUMBERDOWN Quilts returns to television next Monday after a break of two years with an £890,000 campaign intended to consolidate brand leadership and promote a new range of duvets.

The two 30-second commercials are the first produced by Collett, Dickenson Pearce and Partners since it won the account last March. CDP's approach has been to create situations where people sleep so well beneath their duvets that nothing will wake them. The first commercial shows a father and his wife so soundly asleep that the farm animals are unable to wake them. In the second, burly firemen ignore a call to rescue a cat stuck in a tree because they are soundly asleep under their duvets.

The first burst of commercials will be screened for four weeks in several television regions reaching almost three-quarters of UK consumers.



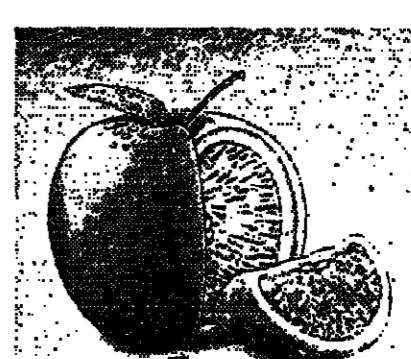
The spectre of viewing in the year 2021

These 10 words are proven to make advertising more effective.

Now
Free
You
New
Save
Sex
Good
Unique
Wife
Money

Brunnings

If you'd like your advertising to work better than it does, come and talk to us.



Brunnings
Look again, we'll surprise you.

UK COMPANY NEWS

BHS jumps 32% to £14.4m as margins rise

A SHARP uplift in profits has been shown by British Home Stores for the 24 weeks to September 17 1983. The taxable surplus moved ahead by 32.3 per cent from £10.85m to £14.35m on turnover, excluding VAT, of £198.17m against £181.18m.

Pre-tax profits included higher net interest receivable of £1.04m (£68.000) and increased contribution of £1.78m against £1.35m from related companies.

At the trading level profits rose by 31 per cent from £2.3m to £11.54m. The trading margin is up from 4.9 per cent to 5.8 per cent.

The net interim dividend is held at 1.75p in the last full year of 5.25p which paid from pre-tax profits of £24.67m. First-half earnings per 25p share improved from an adjusted £1.29p to 1.38p.

Last June the directors said that the first quarter had shown an improving trend and progress was encouraging. There were signs of an increase in consumer expenditure and the company was determined to increase its share in a growing market.

A breakdown of turnover—including VAT £20.51m (£18.6m)—for the six months shows an increase in merchandise sales from £150.84m to £169.69m, and some improvement in restaurant sales from £12.88m to £13.85m. Food sales slipped from £6.07m to £5.51m.

The charge rose from £4.82m to £5.59m, the directors said, the year's total at 10.95p per 25p share. Earnings per share were down at 29.79p (£7.12p) on a net basis, or 28.18p (£4.84p) fully diluted.

Brokerage and leasing turnover rose by £6m to £30.04m. Turnover from trading amounted to £27.85m, less £27.75m for cost of £1.05m—these figures relate to the trading in countertrade commodities, bonds and securities in new activities commenced during the period.

See Lex

R. P. Martin slips 5% as costs rise

ALTHOUGH TURNOVER more than doubled at £57.89m, against £24.64m, pre-tax profits of £20.200 and a £285.000 extra-ordinary debit last time, the available balance emerged £0.15m lower at £2.75m. Dividends absorb £1.03m (£1.02m).

● **Comment**
R. P. Martin did well to increase money broking turnover by 25 per cent in view of the cooling in its foreign exchange activities induced by the Bierbaum debt crisis in the second half. Add in the new Frankfurt bond trading venture and group turnover has more than doubled. But the costs incurred by office moves and re-equipment—the bulk of which are one-off charges—will pre-empt a 5 per cent rise. The position on that investment was taken when earnings were at a peak just after the Bierbaum merger, but the costs have been shouldered at a slack time in the money markets. Margins are being squeezed by the banks' entry into money broking, but Martin is diversifying fast, less than its competitors apparently because of its predominance in the £-DM spot market. The shares slipped 15p to 20.9p, where the historic yield is 7.9 per cent. The key question for the current year is to what extent the office moves will allow Martin to win an extra share of a thin market and make productivity gains.

The directors are recommending an unchanged dividend of 7.5p per share, the maintaining the year's total at 10.95p per 25p share. Earnings per share were down at 29.79p (£7.12p) on a net basis, or 28.18p (£4.84p) fully diluted.

Brokerage and leasing turnover rose by £6m to £30.04m. Turnover from trading amounted to £27.85m, less £27.75m for cost of £1.05m—these figures relate to the trading in countertrade commodities, bonds and securities in new activities commenced during the period.

Tax charge was up from £4.13m to £4.27m, minorities

Lex calls for £20m-forecasts £35m profit

By Dominic Lawson

Lex Service, the vehicle dealer and transport group, is calling on shareholders for £1.7m from a 1-for-10 rights issue at 27.5p per share.

At the same time, the company forecasts that it will make not less than a £35m pre-tax profit in 1983, a 75 per cent increase on the £22m reported for 1982.

Despite this, and the promise of a final net dividend of 5p as against 5p, Lex Service's share price fell 13p to 310p yesterday. At that price, the new shares are at a discount of just over 11 per cent to the old ones.

The rights issue is chiefly designed to reduce the level of the company's borrowings, which have risen recently in the wake of several acquisitions in the area of electronic component distribution.

These acquisitions included Selsbury Electronics in the U.S. in October 1981 and in April this year, the Jermyn Group in the UK, West Germany and France. Only a week ago, Lex announced a further investment in electronic component distribution with the acquisition of Sasey, Gimbel and Panel GmbH. Again, as with Jermyn, these investments have been funded through bank borrowings or cash flow.

Overall, Lex's turnover is expected to grow by 28 per cent this year. The company points out: "This growth in sales requires a significant increase in working capital. The last rights

Dividends Announced

on page 26

issue by Lex was in 1978, and while cash reserves and borrowings are adequate for current requirements, it is now appropriate to raise additional equity capital."

The company emphasised yesterday that it had no intention of increasing the range of its activities, and that no major acquisitions are envisaged "in the immediate future."

In the short-term, the proceeds of the rights issue will be used to reduce borrowings.

The issue was underwritten by N. M. Rothschild with Phillips & Drew acting as brokers.

● **Comment**
Lex Service is most anxious to avoid the charge that this is an unnecessary call to be making on its shareholders. In truth, when the place in the Government broker's queue was booked about three months ago, things looked more opportune. Lex's share price had risen from 240p in April to 280p in late July, and then had fallen prey to sustained profit taking. The issue will not wipe out borrowings, but gearing looks set to fall to little more than 10 per cent. The most striking aspect of yesterday's announcement is the performance of Schweber, which now looks set to contribute profits before interest of over £7.3m. Last time around it made only £0.8m and was still looking for more than an 11.5 per cent acquisition. However the U.S. is still the home of Lex's greatest problem: Motor Rim and Wheel and D.J.C. In both cases it would be unsurprising if Lex were to call it a day. Yesterday's profit forecast was no higher than previous outside estimates and the shares dropped 13p to 310p, indicating a fully taxed and diluted ex-rights multiple of 13.3. Despite its revised performance, the share is still a long way from its old income tag: the prospective yield is not much more than 4.5 per cent.

R. Cartwright and Raine Inds. rights issues

R. Cartwright and Raine Industries yesterday unveiled rights issues aimed at shoring up their capital bases.

Raine, a residential estate developer, engineer and insurance broker, is raising £78.000, after expenses, via a one for three rights issue at 14p per share.

The directors say that although the company has been operating well within its banking facilities an increase in the capital base is desirable.

On the other hand, R. Cartwright, door and window furniture manufacturer, will provide a more satisfactory capital base following recent expenditure and increases in working capital requirements.

Cartwright is making its cash call on the basis of one for five at 82p per share. The directors forecast a final dividend of not less than last year's 3.375p, which together with this year's higher interim, will represent a minimum increase of 5.4 per cent.

Raine directors anticipate a total net payout on its enlarged capital of not less than 0.75p for the year to June 30 1984.

Guinness Mahon International
Fond Ltd., Guernsey
PO Box 108, St Peter Port
Guernsey - Tel: 0481 22506
CURRENCY DEPOSIT SHARES
DAILY DEALING
DOLLAR \$20.00
EURO 10.00
YEN 150.00
DEUTSCHE MARK DM50.10
SWISS FRANC SFr40.00

LADBROKE INDEX
680-685 (-1)
Based on FT Index
Tel: 01-493 5261

Hawker Siddeley down £3m midway

BOARD MEETINGS

The following companies have notified the Stock Exchange of their board meetings. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are being paid in full or whether dividends shown below are based mainly on last year's turnover.

TODAY

Almond Leather Industries Oct 27
Anglo American Coal Nov 8
Balfour Beatty and Hawkes Oct 28
Cotes Bros Oct 28
Mallory Leisure Shop Oct 28
Wright Hand Oct 28
Whitbread Nov 8
Wire and Plastic Products Oct 28

FRIDAY

Asahi Security Electronics Nov 1
Dixon (David) Oct 26
National Commercial Banking Nov 10
William Low, President Gold Mining Nov 21

The chairman points out that there are indications of recovery in several of the group's Australian activities, although demand from the coal mining sector remains poor.

He adds that the recovery in the U.S. has led to several group plants working at pre-cessation levels.

Trading profits for the six months were 8.14m lower at £65.4m and were after redundancy costs of £13.3m, compared with £23.2m. Associate's share of profits added £5.6m (£4.8m) and the pre-tax figure included interest received of £1.6m, against £2.6m paid last time.

Results of overseas subsidiaries have been expressed in sterling at the rates ruling on June 30 last.

Directors say that in accordance with SSPA 30 the group's practice is now to adjust, through reserves, the difference arising on the translation into sterling of overseas net assets for the purpose of the consolidated accounts. As in previous years, this adjustment will be reflected in the full year results.

See Lex

Quest £5m loss 'clears decks'

BY DAVID DODWELL

Quest Automation, the computer-aided design company whose subsidiary Quest CAE went into receivership in August, is still paying no dividends.

Following release of the results during after hours trading on the Stock Exchange, Quest Automation's shares slipped by 4p to 18p—their lowest closing level for three years.

Mr Tony Ebel, the company's chief executive, said yesterday that his board had voted to include in the 1982-83 figures extraordinary items and write-offs amounting to £1.65m.

As a result of "clearing the decks" he was at the same time able to release figures for the first six months of the current year showing a return to profits.

The long-delayed full year figures comprise a turnover of £11.38m, compared with £11.3m for the previous year. This generated a trading loss of £612.000, compared with £1.03m in the previous year.

After a dramatic cut in spending on research and technical investment—from £1.8m to £22.000, the company showed a loss before tax and extraordinary items of £3.49m, compared with a £2.95m loss.

By contrast, in the six months to August 31, the company managed a pre-tax profit of £8.000 after a loss of £1.68m during the first half of 1982. Turnover slipped to £1.7m from £3.05m following the company's

sale of part of its shareholding in Quest CAE to Sandi interests in February this year. The company is still paying no dividends.

Following release of the results during after hours trading on the Stock Exchange, Quest CAE's shares slipped by 4p to 18p—their lowest closing level for three years.

Mr Ebel said that while the receivership of Quest CAE has been disruptive, the board of Quest "has been encouraged by the strong support of its staff and customers."

He said the company was confident of "a continuing steady improvement in the company's future results."

Quest CAE was put into receivership in August this year.

But in September, Marconi paid £1m for it. It has continued trading, now under the name of Marconi Quest CAE.

Mr John Crook of Robert Fleming said yesterday, "We could not have wished for a better result." The shares had originally been offered at a minimum tender price of 230p.

The opening premium was seen as impressive in the market, especially given the weakness of the rest of the equity market in early trading. However the OI price dipped to 225p as stage two took their profit. The price then moved upwards to a high of 305p, and closed at 303p.

Mr Lister, who took up rights to 1m shares out of his 2.18m entitlement, remains the company's largest single shareholder.

MITCHELL COTTS

Mitchell Cotts has announced that Isdale Holdings, an investment company based in the Isle of Man, holds 3.31 ordinary shares or 5.31 per cent.

Isdale is managed by Roywest Co, a joint venture of Royal Bank of Canada and National Westminster Bank. Roywest said the shares were bought for investment rather than takeover purposes.

MFI shares change hands

A TOTAL of 30 city institutions yesterday took up the rights to 1.75m MFI shares as they were placed yesterday by three of the company's directors.

MFI last week made its first ever rights issue—for £20m—on the basis of one new share at 12.5p for every seven already held.

The company's shares had stood at 14.1p, after a rights issue announcement, but fell to 13p when it was made, and dropped a further 3p yesterday, to close at 12.7p.

The three directors making the placement were Mr Arthur Southon, MFI's chairman, Mr Noel Lister, chief executive and co-founder, and Mr John Searl. It is understood that the original rights were placed with about

BILLINGSGATE

£47,500,000
Non Recourse Loan
To finance development of
The Billingsgate Site
Lower Thames Street
London EC4

Funds arranged on behalf of
Torlap Limited
and
Billingsgate Developments Limited
in conjunction with

S. & W. Berisford PLC
and
London & Edinburgh Trust Limited

arranged by
County Bank Limited

managed by
Chase Manhattan Capital Markets Group

provided by
National Westminster Bank PLC
Lloyds Bank Plc
Guinness Mahon International

Central Trustee Savings Bank Limited
Algemene Bank Nederland N.V.

N.M. Rothschild & Sons Limited
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Guinness Mahon International

Central Trustee Savings Bank Limited
Algemene Bank Nederland N.V.

N.M. Rothschild & Sons Limited
Creditanstalt-Bankverein

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Creditanstalt-Bankverein

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County Bank Limited

provided by
National Westminster Bank PLC
Lloyds Bank Plc
Guinness Mahon International

Central Trustee Savings Bank Limited

UK COMPANY NEWS

Duport back in profit—pays interim

FOR the six months ended July 30, furniture and plastics concern, made a £1.9m turnover to taxable profits of £1.05m and the company is resuming ordinary dividend payments with a 3p net interim — the last paid was in July 1980.

Included in the £247,000 loss last time was £564,000 from businesses discontinued — of the £1.12m loss for the whole of last year, the businesses accounted for £1.74m.

First half turnover, after deducting inter-divisional sales of £393,000 (£364,000), amounted to £23.63m. This compares with £35.13m including £8.5m from the discontinued businesses.

In May the directors said that progress had been made during the 1982-83 year, had continued into the early months of the current year and they expected this to be reflected in a return to modest profits.

They now say that although it is disappointing to start the second six months without the

advantages of a more buoyant market place, "nonetheless our progress will continue as a result of our own endeavours".

A divisional analysis of turnover and £1.15m trading profits (£493,000 loss) shows: metal-forming £9.7m (£10.3m) and £105,000 loss (£522,000 loss); furniture £7.13m (£7.45m) and £17,000 profit (£17,000); plastics £9.97m (£7.82m) and £1.05m (£317,000); other interests £1.61m (£1.36m) and £185,000 (£259,000). Businesses discontinued last time £3.54m turnover and £564,000 loss.

The metal forming activities could be affected by low demand for such products and automotive components, and selling prices remained under pressure. Major cost savings and better operating efficiencies, however, were secured in the foundries and resulted in these units operating profitably during the second quarter.

Results of the furniture sector

were adversely affected by the reduced demand for Grovewood's self-assembly kitchen units, although sales of tailor-made units were satisfactory following establishment of a number of display studios.

The improved results from the plastics division reflect the continuing good progress being made by Swish Products.

Tax charge for the half-year was £275,000 (£44,000) and basic earnings per 10p share were 1.55p (2.09p loss). Fully diluted, they were 1.51p.

● comment

It looks as if Duport's withdrawal from steel has at last paid off and the group is making its first dividend distribution for three years. However, the future of metal forming division is still operating in a market bogged down with surplus capacity. The summer upturn in demand for commercial vehicle components which allowed that division to reduce its losses has evaporated. So Duport plans to continue running it down until metal forming reaches profitable levels, while at the same time building up successes like Swish. Profits in the plastics division reflect the continuing good progress being made by Swish Products.

Tax charge for the half-year was £275,000 (£44,000) and basic earnings per 10p share were 1.55p (2.09p loss). Fully diluted, they were 1.51p.

The metal forming activities could be affected by low demand for such products and automotive components, and selling prices remained under pressure. Major cost savings and better operating efficiencies, however, were secured in the foundries and resulted in these units operating profitably during the second quarter.

Results of the furniture sector

Folkes Hefo down to £0.1m-director goes

DURING THE six months to June 30, 1983 taxable profits of John Folkes Hefo fell from £10.0m to £1.00m. Looking to the remainder of the year Mr Constantine Folkes, chairman, says that management efforts will be concentrated on improving the poor results of the heavy engineering division.

He also says that the group has implemented a review of its foundry activities and Mr John Hall, the main heavy director who was responsible for the forging business, has left the group after 19 years.

The question of compensation payments to Mr Hall is in the hands of solicitors, Mr Folkes says.

The opening six months, he

says, saw an improvement in trading in the majority of the group's operations, particularly in the building supplies and merchanting divisions. Group turnover for the six months was £29.13m, against £31.3m in 1982 pre-tax profits of £1.00m.

The directors have declared an unchanged interim dividend of 0.35p net per 10p share. Last year's final was 0.5p which maintained the total payout at 1.25p.

Mr Folkes says that the trading in the foundry division continued to strengthen for the group by contributing profits comparable with 1982, and future lettings of available factory units will provide an even greater contribution.

First half tax was 287,000

(£72,000) and after dividend payments of £159,000 (£169,000) there was a loss of £126,000 compared with a retained surplus of £70,000. The loss per share for the period is given as 0.3p (profit 0.5p).

The chairman says that the second half should show improved results over the first six months, particularly as profitability of the light engineering components gains momentum.

● comment

John Folkes Hefo is one of a handful of heavy forgers left in the UK. A dubious honour given the sparsity of orders but one the group has been able to sustain thanks to its profitable industrial property business. In

the first half property profits were around 20.7m and that should rise to about 3m for the year. Losses from heavy engineering, however, should continue for a few more months on the basis of the current market conditions.

The foundry business has already come in for a management shake-out and a rationalisation of its operations may well follow, although any savings will not impact until next year. A maintained dividend is probably 0.5p, but it is not clear if the group will be able to cover it.

So at 15p the 12 per cent yield looks safe enough until some upturn from forging in the distant future. Property assets meanwhile are worth about 30p a share.

This was a direct result of the constructive management action taken in the past few years.

Group pre-tax results this year benefited from a reduction in interest charges from £78.274 to £62.0321 and lower redundancy and branch closure costs of £9,082 (£87,714).

The result however, was struck before exchange gains down from £141,966 to £4,039 and an extraordinary charge this time of £502,999, which left an attributable deficit of £419,038 (surplus £183,943).

Earnings per 10p share were 1.04p, as against a 0.46p loss previously.

This benefits TSW by generating additional non-leviable income and provides additional employment opportunities in the film and TV industries.

TSW profits static after trebled C4 subscription

IN THE year to July 31, 1983, pre-tax profits of TSW (Televisió Social de Catalunya) were little changed at £1.13m, compared with £1.13m before. The result however, was after charging a Channel 4 subscription almost trebled at £1.49m, against £0.51m.

The company is paying a final dividend of 0.9p per 5p share for a net total of 1.2p for the year. TSW is an independent television contractor, which was formed to take over the IBA franchise for the South-west region of England.

Turnover rose by £3.11m to £12.8m, while trading profits were higher at £1.13m, against £1.13m, after the inclusion last time of an exceptional profit of £1.00m. In addition to Channel 4 subscription, trading figures were struck after depreciation of £693,000 (£393,000) and Exchequer levy of £18,000 (£186,000).

Tax charge decreased from £412,000 to £355,000 and earnings per share rose ahead at 3.65p compared with 3.17p, including the exceptional credit or £0.28 including the same. Last year, there was also an extraordinary debit of £78,000.

The company has embarked on its first diversification venture by investing in a cinema support film. In return, TSW shares in all profits from the film and owns various rights in it, including TV distribution rights.

This venture into low-cost cinema films might well be followed by others if they look promising, the directors state, and the company can pre-sell certain of the rights and thus guarantee almost in advance at least recovery of production costs.

This benefits TSW by generating additional non-leviable income and provides additional employment opportunities in the film and TV industries.

Discount houses 'satisfactory'

Resources at Smith St Aubyn (Holdings), discount broker and broker, increased satisfactorily during the period from April 5 to September 30, say the directors. They are now satisfied that the net interim dividend be held at 1.5p. In the last full year a total of 3.5p was paid.

The directors of Jessel, Tye & Gillett, discount house, announced a satisfactory profit in the first half of its current financial year. They have declared an increased interim dividend of 2.13p, net (2p) making a total distribution of £455,000. In the last full year a final of 3.5p was also paid.

Jones Stroud

FOR the current year to March 31, 1984, Jones Stroud (Holdings) is expecting its profit before tax to exceed £3m. This would compare with over £2.7m achieved in the previous year.

Mr P. L. Jones, chairman of the group which makes fabrics, accessories and materials for the textile and electrical industries, said that at the recent annual meeting and at a recent meeting he was confident the figure would be reached "provided that nothing extraordinary happens within the next few months."

New London Props.

For the first half of 1983, New London Properties, a wholly owned subsidiary of Pearl Assurance, increased pre-tax revenues from £0.98m to £1.17m.

Net revenue from all sources was up from £1m to £1.18m, before tax, an increase in excess of £1.168 (£18,196). The tax charge remained at £551,400 to £605,000 giving a net balance of £560,000 against £472,000.

The interim dividend is higher at 6p (5p) per share, payable October 31.

Seafield Gantex

The directors of Seafield Gantex, Cork-based textile fabric company, say the weakness of sterling during the early part of the year was the principal contributor to a £150,000 pre-tax loss for the six months ended June 18, 1983, compared with £122,000 pre-tax in the previous year.

They are hopeful, however, that the company will trade profitably in the second half.

External turnover amounted to £2.7m (£2.44m). The pre-tax figure included associate's share of profits of £21,000 (£28,000), but was after depreciation of £80,000 and interest £50,000 (£29,000).

In consideration of the stockholders' approval to this proposal, interest rate on the stock will be increased, with effect from July 1, 1983 from 8% per annum to 8% per cent per annum. The first payment at the new rate will be at the end of December.

Under the proposals, the trust deed would be altered to remove the restriction on holding in relation to the power to issue 50% of Holdings' shares in Regis Property Company, a wholly owned subsidiary of Holdings. A guarantee would be substituted by British Land and an undertaking that shares in Regis will not be sold other than to British Land or its subsidiaries.

Regis Property

Regis Property Holdings is putting proposals to holders of the £5.85m 8% per cent unsecured loan stock 1987-97 which, if approved, will remove existing restrictions on Regis and enable British Land, the parent company, to enhance its management of group resources by improving its flexibility over group assets.

In consideration of the stockholders' approval to this proposal, interest rate on the stock will be increased, with effect from July 1, 1983 from 8% per annum to 8% per cent per annum. The first payment at the new rate will be at the end of December.

Under the proposals, the trust deed would be altered to remove the restriction on holding in relation to the power to issue 50% of Holdings' shares in Regis Property Company, a wholly owned subsidiary of Holdings. A guarantee would be substituted by British Land and an undertaking that shares in Regis will not be sold other than to British Land or its subsidiaries.

NOTICE OF REDEMPTION

to the holders of Debentures payable in American Currency of the issue designated

8 1/2% Sinking Fund Debentures Series BW due November 15, 1986

(herein called "Debentures") of the

Q. HYDRO-QUEBEC

PUBLIC NOTICE IS HEREBY GIVEN that the Hydro-Quebec intends to and will redeem for SINKING FUND PURPOSES on November 15, 1986 pursuant to the provisions of the Debentures, the following debentures as indicated, of the above-mentioned issue, at 100% of the principal amount plus accrued interest to the redemption date, namely:

Debentures bearing the Prefix BW:

Serial No.	Amount	Interest Rate	Redemption Date	Redemption Value
3 1165 2646 8849 4501 6880	£201	10.68%	1981-1982	£201
4 1165 2701 2213 8849 4501	£201	10.68%	1981-1982	£201
26 1195 2708 3971 5538 6884 8825	£1405	10.68%	1981-1982	£1405
42 1210 2728 3971 5538 6884 8825	£1405	10.68%	1981-1982	£1405
51 1210 2728 3971 5538 6884 8825	£1405	10.68%	1981-1982	£1405
76 1218 2731 3922 5538 6884 8825	£1378	10.68%	1981-1982	£1378
90 1237 2758 3923 5561 6884 8825	£1378	10.68%	1981-1982	£1378
101 1248 2762 3927 5564 6884 8825	£1378	10.68%	1981-1982	£1378
117 1253 2762 3927 5564 6884 8825	£1378	10.68%	1981-1982	£1378
132 1259 2762 3927 5564 6884 8825	£1378	10.68%	1981-1982	£1378
143 1260 2762 3901 5564 6884 8825	£1378	10.68%	1981-1982	£1378
152 1260 2762 3901 5564 6884 8825	£1378	10.68%	1981-1982	£1378
173 1219 2691 4020 5564 6884 8825	£1378	10.68%	1981-1982	£1378
188 1776 2673 4048 5564 6884 8825	£1378	10.68%	1981-1982	£1378
201 1785 2692 4058 5564 6884 8825	£1378	10.68%	1981-1982	£1378
207 1785 2692 4058 5564 6884 8825	£1378	10.68%	1981-1982	£1378
221 1795 2702 4058 5564 6884 8825	£1378	10.68%	1981-1982	£1378
243 1801 2742 4143 5564 6884 8825	£1378	10.68%	1981-1982	£1378
252 1822 2742 4178 5564 6884 8825	£1378	10.68%	1981-1982	£1378
268 1841 2693 4163 5564 6884 8825	£1378	10.68%	1981-1982	£1378
301 1658 2696 4170 5564 6884 8825</td				

Redemption Notice

Hammersley Iron Finance N.V.

5% Guaranteed Debentures Due 1987

Unconditionally Guaranteed as to Principal and Interest by

HAMERSLEY HOLDINGS LIMITED

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of November 15, 1972 under which the above-described Debentures are issued, Citibank, N.A. (formerly First National City Bank), as Trustee, has selected for redemption on November 15, 1983, (the "Redemption Date"), the principal amount thereof (the "Redemption Price"), through the operation of the Sinking Fund provided for in the said Indenture, \$2,250,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING

24063	1980	4231	3041	257	K06	10121	11382	19357	14753	17787	19740	21446	22252	24266	24266
24064	1981	4232	3042	258	K07	10122	11383	19358	14754	17788	19741	21447	22253	24267	24267
24065	1982	4233	3043	259	K08	10123	11384	19359	14755	17789	19742	21448	22254	24268	24268
24066	1983	4234	3044	260	K09	10124	11385	19360	14756	17790	19743	21449	22255	24269	24269
24067	1984	4235	3045	261	K10	10125	11386	19361	14757	17791	19744	21450	22256	24270	24270
24068	1985	4236	3046	262	K11	10126	11387	19362	14758	17792	19745	21451	22257	24271	24271
24069	1986	4237	3047	263	K12	10127	11388	19363	14759	17793	19746	21452	22258	24272	24272
24070	1987	4238	3048	264	K13	10128	11389	19364	14760	17794	19747	21453	22259	24273	24273
24071	1988	4239	3049	265	K14	10129	11390	19365	14761	17795	19748	21454	22260	24274	24274
24072	1989	4240	3050	266	K15	10130	11391	19366	14762	17796	19749	21455	22261	24275	24275
24073	1990	4241	3051	267	K16	10131	11392	19367	14763	17797	19750	21456	22262	24276	24276
24074	1991	4242	3052	268	K17	10132	11393	19368	14764	17798	19751	21457	22263	24277	24277
24075	1992	4243	3053	269	K18	10133	11394	19369	14765	17799	19752	21458	22264	24278	24278
24076	1993	4244	3054	270	K19	10134	11395	19370	14766	17800	19753	21459	22265	24279	24279
24077	1994	4245	3055	271	K20	10135	11396	19371	14767	17801	19754	21460	22266	24280	24280
24078	1995	4246	3056	272	K21	10136	11397	19372	14768	17802	19755	21461	22267	24281	24281
24079	1996	4247	3057	273	K22	10137	11398	19373	14769	17803	19756	21462	22268	24282	24282
24080	1997	4248	3058	274	K23	10138	11399	19374	14770	17804	19757	21463	22269	24283	24283
24081	1998	4249	3059	275	K24	10139	11400	19375	14771	17805	19758	21464	22270	24284	24284
24082	1999	4250	3060	276	K25	10140	11401	19376	14772	17806	19759	21465	22271	24285	24285
24083	2000	4251	3061	277	K26	10141	11402	19377	14773	17807	19760	21466	22272	24286	24286
24084	2001	4252	3062	278	K27	10142	11403	19378	14774	17808	19761	21467	22273	24287	24287
24085	2002	4253	3063	279	K28	10143	11404	19379	14775	17809	19762	21468	22274	24288	24288
24086	2003	4254	3064	280	K29	10144	11405	19380	14776	17810	19763	21469	22275	24289	24289
24087	2004	4255	3065	281	K30	10145	11406	19381	14777	17811	19764	21470	22276	24290	24290
24088	2005	4256	3066	282	K31	10146	11407	19382	14778	17812	19765	21471	22277	24291	24291
24089	2006	4257	3067	283	K32	10147	11408	19383	14779	17813	19766	21472	22278	24292	24292
24090	2007	4258	3068	284	K33	10148	11409	19384	14780	17814	19767	21473	22279	24293	24293
24091	2008	4259	3069	285	K34	10149	11410	19385	14781	17815	19768	21474	22280	24294	24294
24092	2009	4260	3070	286	K35	10150	11411	19386	14782	17816	19769	21475	22281	24295	24295
24093	2010	4261	3071	287	K36	10151	11412	19387	14783	17817	19770	21476	22282	24296	24296
24094	2011	4262	3072	288	K37	10152	11413	19388	14784	17818	19771	21477	22283	24297	24297
24095	2012	4263	3073	289	K38	10153	11414	19389	14785	17819	19772	21478	22284	24298	24298
24096	2013	4264	3074	290	K39	10154	11415	19390	14786	17820	19773	21479	22285	24299	24299
24097	2014	4265	3075	291	K40	10155	11416	19391	14787	17821	19774	21480	22286	24300	24300
24098	2015	4266	3076	292	K41	10156	11417	19392	14788	17822	19775	21481	22287	24301	24301
24099	2016	4267	3077	293	K42	10157	11418	19393	14789	17823	19776	21482	22288	24302	24302
24100	2017	4268	3078	294	K43	10158	11419	19394	14790	17824	19777	21483	22289	24303	24303
24101	2018	4269	3079	295	K44	10159	11420	19395	14791	17825	19778	21484	22290	24304	24304
24102	2019	4270	3080	296	K45	10160	11421	19396	14792	17826	19779	21485	22291	24305	24305
24103	2020	4271	3081	297	K46	10161	11422	19397	14793	17827	19780	21486	22292	24306	24306
24104	2021	4272	3082	298	K47	10162	11423	19398	14794	17828	19781	21487	22293	24307	24307
24105	2022	4273	3083	299	K48	10163	11424	19399	14795	17829	19782	21488	22294	24308	24308
24106	2023	4274	3084	300	K49	10164	11425	19400	14796	17830	19783	21489	22295	24309	24309
24107	2024	4275	3085	301	K50	10165	11426								

Gencor Group

Gold Mining Companies' Reports for the Quarter ended 30 September 1983

All companies mentioned are incorporated in the Republic of South Africa

ST. HELENA

Gold Mines Limited

Issued capital - 9 625 000 ordinary shares of R1 each.

- 10 115 070 cumulative preference shares of R1 each.

Operating results

Quarter ended 30.9.1983

Quarter ended 30.9.1983

8 months ended 30.9.1983

GOLD

Mined (m²) 133 070 130 853 385 326

Ore milled (t) 570 000 570 000 1 700 000

Gold produced (kg) 3 420 3 594 10 511

Yield (g/t) 6.0 6.3 5.2

Working revenue (R1'000) 89 288 89 244 44 448

Working costs (R1'000) 42 955 44 448 22 945

Working income (R1'000) 10 155 194 071 191 151

Gold price received (R/kg) 14 383 15 514 15 514

Gold price received (R/kg) 15 074 14 386 15 514

Gold price received (R/kg) 422 420 442

Boles Section

GOLD

Mined (m²) 85 036 71 028 213 638

Ore milled (t) 265 000 262 000 775 000

Gold produced (kg) 367 900 366 956

Yield (g/t) 1.29 1.17 1.23

URANIUM

Pulp treated (t) 285 000 282 000 775 000

Ore produced (t) 121 1 103.5 318.5

Yield (g/t) 0.43 0.40 0.41

Financial results (R'000)

St. Helena

GOLD - Working revenue

- Working costs

- Working income

Sundry income - net

Taxation and State's share of income

Income after taxation and State's share of income

Dividend received

Income after taxation and State's share of income

Capital expenditure

Actual capital expenditure

Dividend declared

Quarter ended 30.9.1983

Quarter ended 30.9.1983

Quarter ended 30.9.1983

Development - Basal Leader

Reef Leader

Basal Leader

Reef

Advanced (m) 2 589 2 349 2 193 7 865 6 610

Advanced on reef (m) 286 1 641 526 977 1 255 3 135

Sampled (m) 387 1 626 492 919 1 216 3 063

Channel width (m) 100 122 104 133 99 129

Average value - gold

- gold (g/t) 10.1 3.5 12.1 2.5 12.3 3.2

Gold price received (R/kg) 1010 1253 248 218 1218 410

Quarter ended 30.9.1983

Quarter ended 30.9.1983

Quarter ended 30.9.1983

St. Helena

Capital expenditure

Actual capital expenditure for the quarter amounted to R0.4 million (June 1983 quarter R1.2 million).

Amounts approved not yet spent - R17 755 000.

Commitments in respect of contracts placed - R234 000.

Agreement between St. Helena and Boles.

No income has accrued to St. Helena to date.

The above figures exclude those processed by St. Helena Gold Mining Company Limited.

URANIUM

Pulp treated (t) 780 000 776 000

Ore produced (t) 53 155

Yield (R/kg) 0.22 0.20

Financial results (R'000)

GOLD - Working revenue

- Working costs

- Working income

Sundry income - net

Tribute and royalties - net

Income before taxation and State's share of income

Taxation and State's share of income

Dividend received

Income after taxation and State's share of income

Capital expenditure

Dividend declared

Development - Vast Reef

Advanced (m) 13 523 13 444

Advanced on reef (m) 915 123

Sampled (m) 100 110

Channel width (m) 14.5 11.8

Average value - gold

- gold (R/kg) 1440 1301

- uranium (R/kg) 0.501 0.44

Gold price received (R/kg) 418 411

Quarter ended 30.9.1983

Quarter ended 30.9.1983

Quarter ended 30.9.1983

St. Helena

Capital expenditure

Amounts approved not yet spent - R74 992 000.

Commitments in respect of contracts placed - R12 240 000.

Buffelsfontein/Bear's Scheme

In an announcement dated 22 September 1983, members were advised that the share capital of the company had been increased by the creation of 20 000 000 non-cumulative preference shares of R1 each. These shares were placed under the control of the directors to be issued at a later stage. (See also note under Bear's.)

Dividend

A dividend of 330 cents per share was paid on 4 August 1983.

BEATRIX

Mines Limited

Issued capital - 100 shares of R1 each.

Loan capital advanced to date - R228 530 000.

REMARKS

Capital expenditure

Net expenditure for the quarter on property, shafts, plant and equipment and net expenditure amounted to R77 25 000 (no date R20 900 000).

Amounts approved not yet spent - R83 105 000.

Commitments in respect of contracts placed - R18 253 000.

General

Construction continued at the metallurgical plant and the planned

commissioning for the year-end is on schedule.

Subsequent completion of equipping of the No. 1 and No. 2 shafts, breakaway development and the start on each of the shafts' 4 mining levels, as well as the main pump stations. Of the 1 600 metres

connection between the two shafts, 1 108 metres remains to be developed.

Meals and allowances:

No. 1 shaft 1 902

No. 2 shaft 883

Pump stations 505

Total 3 370

Buffelsfontein/Bear's scheme

In an announcement dated 22 September 1983, members of Buffelsfontein

were advised of the creation of 20 000 000 non-cumulative preference shares

of R1 each by Buffelsfontein, to give effect to the scheme. These shares will be issued to Bear's shareholders when deemed necessary, in terms of the agreement

between the two companies.

The results for Bear's will be combined with those of Buffelsfontein once the

conditions precedent of the scheme have been fulfilled.

STILFONTEIN

Gold Mining Company Limited

Issued capital - 13 062 920 shares of 50 cents each.

Operating results

Quarter ended 30.9.1983

Quarter ended 30.9.1983

9 months ended 30.9.1983

GOLD

Mined (m²) 125 078 124 001 371 056

Ore milled (t) 445 000 435 000 1 318 000

Gold produced (kg) 3 021 3 021 8 500

Yield (g/t) 8.3 8.3 7.1

Working revenue (R1'000) 106 935 104 29 110 57

Working costs (R1'000) 73 76 70 73 70 77

Working income (R1'000) 33 17 33 50 33 50

Gold price received (R/kg) 15 554 15 024 15 554

Gold price received (R/kg) 436 430 444

The above figures exclude those processed by St. Helena Gold Mining Company Limited.

Financial results (R'000)

GOLD

Working revenue (R1'000) 47 583 45 366 145 513

Working costs (R1'000) 32 824 30 785 63 339

Working income (R1'000) 14 759 14 573 14 513

Dividend (R1'000) 836 836 836

Tribute and royalties - net (R1'000) 12 185 12 185 1

TSW REPORTS FURTHER PROGRESS

Despite increases in Channel 4 subscription (up 183% over 1981-82) and IBA transmitter rental (up 25%) TSW—Television South West Holdings PLC reports for the year ending 31st July, 1983:

	1983	1982
Turnover	£7000	£6000
Profit before Taxation	1,133	983
Profit after Taxation	776	610
Earnings per Share	3.66p	2.67p
Dividends per Share	1.2p	0.9p

* 1982 excludes exceptional credit (1983 none)

- Profit after tax increased by 27.5%
- Dividends increased by 33.3%
- Technical and building expansion nearing completion
- Increased advertising sales revenue
- Increased programme sales revenue
- The Chairman views the future with confidence

The above figures are extracted from the company's full accounts, which will be filed with the Register of Companies and on which the company's auditors have given an unqualified report.

Copies of the Report and Accounts are available from the Secretary, TSW, Derry's Cross, Plymouth, Devon PL1 2SP.



DEN DANSKE BANK

AF 1871 AKTIESELSKAB

U.S. \$40,000,000

Floating Rate Notes due 1990

(with the right to subordinate)

Den Danske Bank af 1871 Aktieselskab hereby gives notice pursuant to Conditions 1 and 10 of the above captioned Notes, that with effect from 21st November, 1983 the said Notes will constitute subordinated debt of the Bank as to the payments of principal and interest.

DEN DANSKE BANK
AF 1871 AKTIESELSKAB
COPENHAGEN K, DENMARK

The Sumitomo Bank, Limited

Agent Bank

THE TELERECORDER: Automatically records all your telephone conversations
The first automatic telephone recording machine to be APPROVED by British Telecom.
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BIDS AND DEALS

Sunlight forecasts bolster defence

BY RAY MAUGHAN

Sunlight Services Group will lift pre-tax profits by 25 per cent in 1983 to £3.5m and will push up its net total dividend by 60 per cent to 7.0p per share. These forecasts form one of the three planks on which the group is resisting the £25.4m equity offer from Brengreen, the cleaning group.

Brengreen, by contrast, made pre-tax profits of £1.7m in the year to last March to which it has added £500,000 on the interest applicable to its £5m rights issue and £13,000 interest saving on loan stock conversion. After these adjustments, Brengreen, which is now offering three of its own shares at 7p, up 1p yesterday, for every Sunlight share, made profits of £2.2m.

Sunlight calculates that Brengreen's paper offer is only 14.5 times 1983 forecast earnings and thus contains no premium control for a business which, it

stresses, has been growing at a 25 per cent compounded rate for a number of years. It will be paying tax on an estimated 29 per cent rate but, on a full charge, the prospective multiple would be 21.

By its own calculations, Sunlight was prepared to pay 18.6 times the fully-taxed 1981 earnings of Johnson Group Cleaners before the block imposed by the Monopolies Commission earlier this year which equates with 16.3 p/e on the actual tax charge.

The second strand of its defence is an attempt to show that Sunlight is a broadly spreading business in four growing cleaning sub-sectors with a new leg in the supply of healthcare products, focused particularly on the surgical theatre equipment market.

It says that its traditional laundry and linen hire business will continue to expand while

its activities in commercial cleaning—offices, factories, department stores and the like—will raise its geographic coverage by over 50 per cent this year.

Sunlight expects to acquire a new wearwork processing plant in the near future and believes that existing and planned developments will boost sales by 30 per cent in 1984. The number of outlets in this field will have doubled by the end of 1985.

Security is another new sector of business, first identified in 1980, and turnover—now accounting for 2 per cent of turnover historically—is expected to double next year.

It also estimates that gearing will fall from about 40 per cent to 25 per cent by the end of 1985.

As to the plums held out by Brengreen for ancillary National Health services, Sun-

light claims to be in the forefront of the DHSS's plans and is also "one of a small number of companies recommended by the Department as being able to provide cleaning and laundry services."

The final element of Sunlight's defence is the expected attack on Brengreen's equity offer and, in expansion, the quality of the bidder's own paper. The revised offer, Sunlight asserts, is only a small increase over the original offer which, as of last Thursday, was accepted by holders of a mere 4.2 per cent of our shares."

The defence attacks Brengreen's own record in that its accounting policies include capitalised contract development expenditure—"more than half Brengreen's retained earnings in the last published balance sheet"—and place "undue reliance on low quality earnings from volatile Middle Eastern markets."

Cost cutting boosts profits at Tecalemit

A week before the cash and equity offer from Siebe Gorman reaches its first closing date on October 26, Tecalemit, the gas equipment group, has split out the effect of strong market demand and greater efficiency.

The response to this drive in the six months to September this year is a rise in profits from £231,000 to £603,000 (including a £23,000 property development profit) and a forecast that the full year will show profits of £1.75m against just £1.47m in 1982.

The recovery, which has some way to go before Tecalemit is restored to its 1980 peak of £4.7m pre-tax, stems from substantial manpower cuts and overhead reductions which have been taken some £3m off the cost base on an annualised basis since September last year and an estimated fall in the group's overheads by 26 per cent.

Some firm of cost reduction relates to the French garage equipment manufacturer, Fog-auto, which, with the injection of new management from Peugeot, is now firmly back in the black. However, the larger and higher-grade mines turned in some useful performances, notably St Helens and Uisnel, with profit increases of around a quarter, and Winkelsheek and Balfourstein, both about 12 per cent higher.

The last named was helped by a return to profit on uranium operations.

The average gold prices received by the Gencor mines are compared in the following table.

Sept

June

March

Sept

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WALL STREET

New setback as AT&T reports

WALL STREET suffered another setback yesterday when stock in American Telephone and Telegraph fell sharply after the announcement of third-quarter earnings, writes Terry Byland in New York.

There were also further losses among the computer stocks in the wake of the depressing profits news from Digital Equipment.

The fall in stock prices was in contrast to the credit sector which edged higher, helped by repurchase arrangements by the Federal Reserve.

Shares in AT & T were suspended at \$63 following disclosure of lower earnings but a block was traded on the over-the-counter market at \$59, and trading in this market continued on a basis of \$60 to \$60 1/2.

The Dow Jones Industrial average closed 4.06 at 1,246.75.

Computer stocks fell in the wake of Digital Equipment's disclosure of a heavy fall in profits. On the New York Stock Exchange, Digital topped the active list shedding a further 5 1/2 to 57 1/2 as it was quickly removed from the recom-

mendation lists of several major brokerage houses.

Nearly one third of the company's market capitalisation has been wiped out since Tuesday afternoon's disclosure of a 76 per cent drop in first-quarter earnings.

Other computer issues to fall were Honeywell, 5 1/2 down at \$124 1/2, NCR 5 1/4 off at \$125, Control Data 2 1/4 down to \$45 1/2 and Storage Technology, 5 1/2 down at \$17 1/2 after warning of a \$6m loss for the third quarter.

But IBM, sustained by growing market belief that it is strengthening its hold on both the business and the new personal computer markets, added 5 1/2 to \$129 1/2.

Among the few other firm spots, American Airlines jumped 5 1/2 to \$30 on good results.

The banking sector was unsettled by poor results from Continental Illinois, which slumped 5 1/2 to \$20 1/2. At \$41 1/4, Citibank shed 1 1/2.

Further profit-taking in pharmaceuticals took Merck down by 2 1/2 to \$100 and Pfizer, with results due, down by 5 1/2 to \$40 1/2.

In the motor sector, Ford gave up a further 5 1/2 to \$66 and Chrysler at \$29 lost \$1. General Motors weakened by 5 1/2 to \$76 1/2.

Rail issues proved one of the only sectors to withstand the selling bout.

Good results lifted Union Pacific by 5 1/2 to \$56 1/2 and CSK followed suit with a gain of 5 1/2 to \$75 1/2.

But across the broad range of industrial stocks, there was selling of defence issues, with General Dynamics down 5 1/2 to \$53 1/2, Minnesota Mining and Manufacturing dipped 5 1/2 to \$84 1/2 and

McDonnell Douglas 5 1/2 to \$80 1/2.

The long bond edged up to \$104 1/2 to yield 11.50 per cent.

Rockwell 5 1/2 to \$30 1/2 but General Electric, a widely favoured stock, held its fall to 5 1/2 to \$52 1/2.

In chemicals, Union Carbide slipped 5 1/2 to \$64 despite the plans to sell off some Conoco interests and Monsanto shed 5 1/2 to \$11 1/2.

Consumer stocks were somewhat overlooked in the shakeout in the leading industrial stocks, but Toys R Us, which plans to make a feature of personal computer sales at Christmas, fell 5 1/2 to \$42 1/2 and Dayton Hudson was 5 1/2 off at \$24 1/2.

Philip Morris, the leading cigarette manufacturer held steady at \$69 1/2.

In the credit market, the shorter end was little changed from overnight, with the three month Treasury Bills at a discount of 8.55 per cent and the six month at 8.71 per cent.

The Federal Funds rate traded at 9% per cent at which stage the Fed announced dealer and customer system repurchases. Little significance was attached to these arrangements which were regarded as of purely technical significance.

The key long bond edged up to \$104 1/2 to yield 11.50 per cent.

LONDON

Allianz stars in sound performance

EQUITY MARKETS put on a relatively sound performance in London yesterday in the face of Wall Street's sharp setback overnight. The FT Industrial Ordinary index finished 0.2 ahead at 678.4.

Gilt-edged investors were content to wait until today's Cabinet meeting on public expenditure, and longs closed slightly firmer after early falls of 1/4. Revived interest in index-linked gilts was connected with inflationary implications in the latest rise in average earnings growth. Details, Page 35; Share Information Service, Pages 36-37.

HONG KONG

SHARES ENDED slightly firmer in Hong Kong at the end of the half day session, with many investors staying out of the market as two days of Sino-British talks on the future of the colony resumed.

The Hang Seng index rose 4.30 to 794.34 after slipping to 787.36 at mid-session.

Among properties, Cheung Kong and Sun Hung Kai Properties were unchanged at HK\$6.40 and HK\$4.52 respectively, while Hongkong Land lost 5 cents to HK\$2.32.

Elsewhere, China Light gained 30 cents to HK\$12.30, Hutchison Whampoa 40 cents to HK\$11.40, Jardine Matheson 5 cents to HK\$8.10 and Swire Pacific "A" 10 cents to HK\$14.

SINGAPORE

A COMBINATION of speculative buying and profit-taking left shares mixed in Singapore. The Straits Times Industrial index closed the day 0.80 higher at 952.53.

United Overseas Bank, the most actively traded share, ended 15 cents higher at \$35.40. Plantation issues, which were in demand on Tuesday turned mixed with Consolidated Plantations adding 2 cents to \$33.20 but K. L. Kepong 8 cents down at \$33.12.

AUSTRALIA

A LATE rally in resource issues allowed shares to pare some early losses in Sydney.

Early declines in heavyweight mining issues were attributed to Wall Street's overnight showing, combined with the poor performance of gold and base metal prices. However, overseas investor demand developed later in the session.

The market leader, BHP, which on Tuesday fell below AS12 for the first time since the end of August, recovered 4 cents to end at AS11.95.

Among other minings, CSR shed 7 cents to AS3.73, MIM 4 cents to AS3.58, EZ Industries 24 cents to AS5.30 and North Broken Hill 2 cents to AS2.98.

SOUTH AFRICA

THE WEAKER bullion price undermined gold shares in Johannesburg yesterday.

Anglo American Gold plunged R1.75 to R127, while Buffels shed R1.25 to R53.5. Elsewhere diamond and platinum issues were easier with De Beers 12 cents off at R8.88 and Impala 50 cents weaker at R13.10.

In banks, Nedbank gained 75 cents to R14 on a 36 per cent rise in post-tax profit. Industrial closed mixed, where changed.

CANADA

LOSSES CONTINUED to mount in Toronto yesterday with all sectors, particularly gold issues, depressed by mid-session.

Oil and gas stocks were vulnerable to the downturn, with metals and minings showing some resilience.

Banks in Montreal proved to be the only firm spot in a weaker market, with marked losses in industrials and papers.

SECTION III - INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday October 20 1983

TOKYO

Lower on overseas selling

THE STEEP fall experienced by Wall Street on Tuesday combined with light selling by foreigners to drive share prices lower in Tokyo yesterday, but during the afternoon prices recouped almost half of their morning losses, writes Shigeo Nishizuka of Jiji Press.

The Nikkei-Dow Jones market average at one stage tumbled 11.36 from the previous day's close, but recovered later to close the day at 9,280.80, down 88.26.

Volume increased slightly to 334.91m shares from Tuesday's 321.35m, declines outnumbered advances 466 to 211, with 168 issues unchanged.

With prospects for domestic politics still uncertain, the market remained bearish. Blue chip stocks plunged on the reports of Wall Street's sharp fall and selling by investors in Hong Kong and Europe, but the downward trend slackened in the afternoon on buying by brokerage houses.

Market participants believe that the tone of liquidation will persist for the time being as long as the domestic political situation remains unstable.

Foreign investors have been selling stocks since the October 12 guilty verdict on Mr Kakuei Tanaka, the former Prime Minister, for his involvement in the Lockheed pay-off scandal.

Fuji Photo Film declined Y90 at one stage amid increasing concern about its business performance, but closed at Y1,960, off Y30 on the day. Sony fell Y120 on reports that it would sell a subsidiary because of a slump in audio equipment sales, but finished the day at Y3,570, also down Y30.

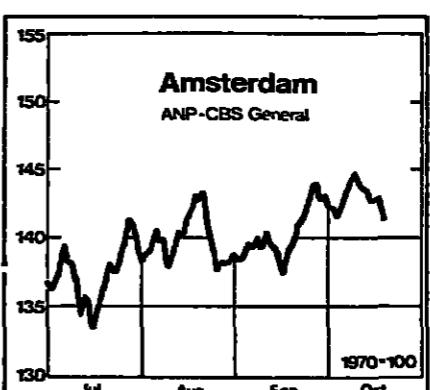
Other blue chips bounced back in the afternoon, with NEC ending at Y1,220, down Y50, Fujitsu Y1,190, down Y60, and Canon Y1,240, down Y40. Meanwhile, Hitachi gained Y2 to Y865 and Pioneer Electronic Y20 to Y2,700.

Investor interest shifted from the declining blue chips to some speculative and incentive-backed issues. Bolstered by an increase in the government's in-

vestment in public works projects, Mitsui Construction climbed Y3 to Y261. Toyo Soda also advanced Y23 to Y210 on news of its development of reinforced ceramics. However, machine tools, which gained ground almost across the board on Tuesday, turned lower.

The bond market remained weak as investors stepped to the sidelines. Bond prices had been firm since the turn of the week, on growing speculation that the Bank of Japan would shortly cut its discount rate by around 0.5 per cent from 5.5 per cent. However, they have now reached a stalemate amid a mixture of bright and bleak forecasts for the market after the discount rate cut.

As a result, the yield on the barometer 7.5 per cent government bond, maturing in January 1993, rose to 7.73 per cent from Tuesday's 7.69 per cent, on small-lot selling by securities houses, and city, regional and trust banks.



EUROPE

Frankfurt scales high peaks again

RENEWED HEAVY buying of selected blue chip issues took Frankfurt to new peak levels for the second successive day but elsewhere in Europe, an easier mood prevailed in most centres.

Foreign purchasers spurred the renewed rally in many Frankfurt sectors, reversing an early downward trend that

began with profit-taking by professional investors after Tuesday's highs.

The Commerzbank index of 60 shares added 2.5 points to 992.4 for another 23-year peak, while the 1958-based FAZ index of 100 issues was up 3.46 at a record 334.69. Both measures are calculated at mid-session.

Trading was heavy with Siemens at the centre of attention. It closed at a new 1983 peak of DM 372.80 for a net gain of DM 6.30, having at one stage touched DM 373.50.

Bankers extended Tuesday's gains with Commerzbank up DM 1.10 to DM 179.50. Among motors, the recently favoured Daimler climbed DM 4.50 to DM 644 but late profit-taking left BMW down DM 3 at DM 398 and VW lost DM 9.50 to DM 227.50.

Chemicals also retreated after a steady string of gains in recent days. The domestic bond market remained steady.

In many other centres, the mood was depressed by Wall Street's overnight performance. In Amsterdam, all sectors saw declines at the opening and few issues managed a recovery as buyers stayed out of the market.

Akzo led the declines in internationals with a F1.40 fall to F1.76.20. Elsewhere, publisher Elsevier was one of the few issues to erase losses. It ended unchanged on the day at F1.441 after opening at F1.438.

Liquidation ahead of the day's settlement of monthly accounts left Paris weaker with declines in all sectors. In the sharply weaker construction sector, Dumez shed FFr 25 to FFr 815 while in rubbers, Michelin fell FFr 10 to FFr 780.

In foods, BSN declined FFr 22 to FFr 2,355 but Carrefour rose FFr 16 to FFr 331. The announcement of a visible trade surplus for September came too late to influence the market.

Brussels closed easier in moderate trading. Petrofina was BFr 100 down at BFr 5,530, depressed by the "gasoline war" taking place on the domestic retail market. Holding companies were lower but industrials ended mixed.

Some profit-taking in recently favoured issues left Zurich slightly lower, but overall the market proved more resilient than most. Union Bank turned an initial SwFr 10 loss into a SwFr 5 gain at the SwFr 3,190 close.

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES



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Interest for the period will be paid on April 15 1984 at 8.5625%.

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KD. 42.930 per coupon.

KUWAIT INTERNATIONAL INVESTMENT

KUWAIT INTERNATIONAL INVESTMENT CO. S.A.R.
(Agent)

Continued on Page 5

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 34

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on

a-dividend also extra(s), b-annual rate of dividend plus stock dividend, c-liquidating dividend cl-called d-new yearly low e-dividend declared or paid in preceding 12 months, g-dividend in Canadian funds subject to 15% non-residence tax f-dividend declared after split-up or stock dividend, j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting, k-dividend declared or paid this year an accumulative issue with dividends in arrears, n-new issue in the past 52 weeks. The high-low range begins with the start of trading nd-next day delivery P/E-price-earnings ratio r-dividend declared or paid in preceding 12 months, plus stock dividend s-stock split. Dividends begins with date of split ss-splits t-dividend paid in stock in preceding 12 months, estimated cash value cn-xr-dividend or ex-distribution date u-new yearly high, v-trading halted vi-in bankruptcy or receivership or being re-organised under the Bankruptcy Act or securities assumed by such companies wd-when distributed wu-when issued ww-with warrants x-ex-dividend or ex-rights xxs-e-distribution, xx-without warrants y-ex-dividend and sales in full yld-yield z-sales: in full

Financial Times Thursday October 20 1983

INDUSTRIALS—Continued

High	Low	Stock	Price	W	M	W	M	CW	YTD	PE	High	Low	Stock	Price	W	M	W	M	CW	YTD	PE	
23	90	Kings Trust 5p	11	10	40.15	14	13	39	145	10.15	127	97	McKay Secs. 20p	112	102	24.5	24.5	16.6	270	220	12.0	18.0
210	246	Kingsley Indus.	185	175	11.00	11	10	125	210	11.00	127	117	Marham L. 11	152	142	19.0	19.0	8.71	225	75	1.75	
155	170	Kershaw (A.) Sp.	130	120	41.0	11	10	124	214	41.0	127	117	McKersie Secs. Sp.	115	112	20.0	20.0	18.0	210	175	1.75	
189	200	Kleen-E-Z Disp.	73	72	3.0	65	59.0	222	125	125	127	123	McKersie Secs. Sp.	120	118	1.2	1.2	2.21	182	120	1.2	
121	130	Kleen-E-Z Disp.	73	72	1.1	56	59.0	162	122	122	127	123	McKersie Secs. Sp.	120	118	1.2	1.2	2.21	182	120	1.2	
32	14	L.D.H. Group	124	123	1.1	56	59.0	151	122	122	127	123	McKersie Secs. Sp.	120	118	1.2	1.2	2.21	182	120	1.2	
132	141	L.R.C. Int. 10p	101	101	1.1	56	59.0	151	122	122	127	123	McKersie Secs. Sp.	120	118	1.2	1.2	2.21	182	120	1.2	
24	32	Lavazza	32	31	7.3	11	10	170	193	11.0	127	174	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
48	50	Lep Corp. 10p	48	48	1.7	56	59.0	147	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
48	50	Lifecare 10p	48	48	1.7	56	59.0	147	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
26	48	Lilac Indus.	48	48	1.7	56	59.0	147	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
35	37	Lion & B'nd	45	45	2.2	42.25	47.0	170	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
135	137	Lion & Nite Corp.	45	45	2.2	42.25	47.0	170	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
49	50	Line Prv. Health	25	25	1.2	56	59.0	175	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
50	52	Linea Indus. Ind.	25	25	1.2	56	59.0	175	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
48	50	Linea Indus. Ind.	25	25	1.2	56	59.0	175	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
48	50	Linea Indus. Ind.	25	25	1.2	56	59.0	175	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
48	50	Linea Indus. Ind.	25	25	1.2	56	59.0	175	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
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48	50	Linea Indus. Ind.	25	25	1.2	56	59.0	175	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
48	50	Linea Indus. Ind.	25	25	1.2	56	59.0	175	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
48	50	Linea Indus. Ind.	25	25	1.2	56	59.0	175	122	122	127	123	McLennan L. 11	172	162	1.2	1.2	2.21	182	120	1.2	
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48	50	Linea Indus. Ind.	25	25	1.2	56	59.0	175	122	1												

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and sterling little changed

The dollar surrendered its previous gains in New York, to finish only marginally firmer against most currencies in quiet foreign exchange trading. In the absence of other factors the dollar has tended to track movements in the U.S. credit markets, reflecting confusion about the future direction of interest rates and nervousness about the U.S. Treasury refunding package to be announced next week.

Sterling opened weak and may have received some small support from the Bank of England at around the \$1.4950 level. Despite a depreciation against another at London money rates, prompted by easier U.S. rates, the pound recovered to finish unchanged against the dollar, and slightly firmer against

Continents.

DOLLAR — Trade-weighted index (Bank of England) 125.9 and 122.9 at midday. The dollar was firmer against most currencies, though it was unchanged against the Swiss franc. Sterling was unchanged against the Swiss franc.

The dollar rose to DM 2.5855 from DM 2.5855 to 2.5856 from Deutsche Mark; FF 7.9065 from FF 7.9064; the French franc; and Yen 22.90 from Yen 22.82 in terms of the Japanese yen, but was unchanged at SwFr 2.0985 against the Swiss franc.

STERLING — Trading range against the dollar in 1982 was £1.4940 to £1.4940. September average 1.4951. Trade-weighted index 83.3, compared with 83.3 at noon and in the morning, 83.3 at the previous close, and 83.8 six months ago.

Sterling improved to DM 2.5825 from DM 2.5825 to 2.5826 from FF 7.8850; Yen 22.80 from SwFr 3.1525 to 3.1525 in September.

The dollar rose to DM 2.5889

from DM 2.5847 at yesterday's fixing in Frankfurt ahead of the U.S. Fed's latest refunding package. The pound strengthened to £1.4950 from £1.4950.

D-MARK — Trading range against the dollar in 1982 was DM 2.7315 to 2.7320. September average 2.6683. Trade-weighted index 127.5 against 129.9 six months ago. Until the recent easing of U.S. money supply the dollar has been at its lowest level for nearly two years, though the dollar, reflecting the large differential in interest rates. However there now appears to be a gradual shift in emphasis towards economic fundamentals, with the German currency looking increasingly attractive on this basis.

Sterling improved to DM 2.5825 from DM 2.5825 to 2.5826 from FF 7.8850; Yen 22.80 from SwFr 3.1525 to 3.1525 in September.

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Changes are for ECU. Positive change denotes a week currency. Adjustment calculated by Financial Times.

* Selling rates.

OTHER CURRENCIES

	Oct. 19	2	5	Note Rates
Argentina Peso	7.9120-8.0175	14.55-14.59		20.90-27.50
Australia Dollar	1.4353-1.4375	1.0050-1.0080		1.0050-1.0070
Austria Schillings	1.04-1.04	14.16-14.17		11.23-11.25
Belgium Franc	5.6175-5.6185	5.6175-5.6185		5.6175-5.6185
Greek Drachma	138.55-139.70	82.40-82.70		82.40-82.70
Hong Kong Dollar	1.17-1.17	55.45-55.45		55.45-55.45
Iceland Króna	189.70	189.70		189.70-189.70
Kuwaiti Dinar	0.434-0.435	0.8990-0.8995		0.8990-0.8995
Luxembourg Franc	2.5475-2.5480	2.5475-2.5480		2.5475-2.5480
Malta Lira	5.4075-5.4080	2.5420-2.5440		2.5420-2.5440
New Zealand Dollar	2.8275-2.8285	1.3065-1.3090		1.3065-1.3090
Spain Peseta	219.1-224	1.20-1.20		1.20-1.20
Saudi Arab. Riyal	5.1155-5.1175	5.4905-5.4915		5.4905-5.4915
Sw. African Rand	1.6820-1.6825	1.1810-1.1820		1.1810-1.1820
U.A.E. Dirham	5.3000-5.3000	3.6710-3.6760		3.6710-3.6760

* Selling rates.

THE POUND SPOT AND FORWARD

Oct. 19	Day's spread	Closes	One month	% p.a.	Three months	% p.a.	One year	% p.a.
U.S. 1.4940-1.5020	0.02-0.07	0.02-0.07	0.02-0.07	0.02-0.07	0.02-0.07	0.02-0.07	0.02-0.07	0.02-0.07
Canada 1.5000-1.5075	0.10-0.10	0.10-0.10	0.10-0.10	0.10-0.10	0.10-0.10	0.10-0.10	0.10-0.10	0.10-0.10
Nethrlnd. 1.434-1.4375	4.36-4.37	11-16	11-16	11-16	11-16	11-16	11-16	11-16
Belgium 79.00-79.40	79.25-79.25	80-80	80-80	80-80	80-80	80-80	80-80	80-80
Denmark 14.04-14.12	14.07-14.12	14.07-14.12	14.07-14.12	14.07-14.12	14.07-14.12	14.07-14.12	14.07-14.12	14.07-14.12
Fin. 1.37-1.37	1.37-1.37	1.37-1.37	1.37-1.37	1.37-1.37	1.37-1.37	1.37-1.37	1.37-1.37	1.37-1.37
W. Ger. 3.87-3.89	3.87-3.89	3.87-3.89	3.87-3.89	3.87-3.89	3.87-3.89	3.87-3.89	3.87-3.89	3.87-3.89
Portugal 184.75-185.25	185.50-185.50	185.50-185.50	185.50-185.50	185.50-185.50	185.50-185.50	185.50-185.50	185.50-185.50	185.50-185.50
Spain 225.22-228.25	225.00-228.00	225.00-228.00	225.00-228.00	225.00-228.00	225.00-228.00	225.00-228.00	225.00-228.00	225.00-228.00
Italy 1.30-1.30	1.30-1.30	1.30-1.30	1.30-1.30	1.30-1.30	1.30-1.30	1.30-1.30	1.30-1.30	1.30-1.30
Norway 10.90-10.95	10.90-10.95	10.90-10.95	10.90-10.95	10.90-10.95	10.90-10.95	10.90-10.95	10.90-10.95	10.90-10.95
France 11.84-11.85	11.85-11.85	11.85-11.85	11.85-11.85	11.85-11.85	11.85-11.85	11.85-11.85	11.85-11.85	11.85-11.85
Sweden 11.30-11.30	11.30-11.30	11.30-11.30	11.30-11.30	11.30-11.30	11.30-11.30	11.30-11.30	11.30-11.30	11.30-11.30
Japan 2.08-2.08	2.08-2.08	2.08-2.08	2.08-2.08	2.08-2.08	2.08-2.08	2.08-2.08	2.08-2.08	2.08-2.08
Austria 2.20-2.25	2.25-2.25	2.25-2.25	2.25-2.25	2.25-2.25	2.25-2.25	2.25-2.25	2.25-2.25	2.25-2.25
Switz. 3.19-3.16	3.19-3.15	3.19-3.15	3.19-3.15	3.19-3.15	3.19-3.15	3.19-3.15	3.19-3.15	3.19-3.15

Belgian rate is for convertible francs. Financial franc 80.50-80.65

Sw-month forward dollar 0.21-0.26c dia. 12-month 0.50-0.60c dia.

Oct. 19	Pound Sterling	U.S. Dollar	Deutschmark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
1	1.501	5.983	549.5	11.88	2.155	4.265	2.955	1.847	79.30	5.983
2	1.501	5.987	553.9	7.904	2.101	4.200	2.915	1.831	55.85	5.983
3	1.508	5.988	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.988
4	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.9885
5	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.9885
6	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.9885
7	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.9885
8	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.9885
9	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.9885
10	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.9885
11	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.9885
12	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.9885
13	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.9885
14	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.9885
15	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.821	55.85	5.9885
16	1.5043	5.9885	551.1	10.000	2.085	4.184	2.895	1.8		

CIGNA Corporation

has acquired

Crusader Insurance PLC

from

Marsh & McLennan Companies, Inc.

and

Fireman's Fund Insurance Companies

We acted as financial advisor to CIGNA Corporation in this transaction.

Goldman, Sachs & Co.

New York Boston Chicago Dallas Detroit
Houston Los Angeles Memphis Miami
Philadelphia St. Louis San Francisco
London Hong Kong Tokyo Zurich

September 2, 1983



20th October, 1983

London Shop Property Trust plc

(Incorporated in England with limited liability under the Companies Acts 1908 to 1917)

Rights issue of £10,167,564 9 per cent. (second series)
Convertible Unsecured Loan Stock 1994/99 payable as to £30 per cent. by 10th November, 1983 and £70 per cent. by 7th March, 1984

The Council of The Stock Exchange has admitted to the Official List the above-mentioned Stock.

Particulars of the Stock are available in the Exetel Statistical Service and copies of such particulars may be obtained during usual business hours up to and including 10th November, 1983, from the Company's brokers:

W. Greenwell & Co.,
Bow Bells House, Bread Street,
London, EC4M 9EL.

VONTobel Eurobondindizes

WEIGHTED AVERAGE YIELDS

PER 18 OCTOBER 1983

	Today	INDEX	%	Yester.	%	Year's
U.S. Eurobonds	11.78	11.68	12.54	11.23	11.23	
DM (Foreign Bond Issues)	7.38	7.40	7.79	7.25	7.25	
HFL (Baaer Notes)	10.10	9.95	9.67	7.45	7.45	
Canad Eurobonds	13.16	13.14	13.55	12.62	12.62	

J. Vontobel & Co. Bankers, Zurich - Tel: 010 411 468 7111

October 20, 1983

Oesterreichische Kontrollbank Aktiengesellschaft

US\$100,000,000
Guaranteed Floating Rate Deposit Notes 1986

Guaranteed by the
Republic of Austria

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the six months from October 21, 1983 to April 24, 1984 the Notes will carry an interest rate of 9 1/4% per annum. On April 24, 1984 interest of US\$24,188.75 will be due per US\$100,000 Notes against Coupon No. 5.

Agent Bank
ORION ROYAL BANK LIMITED

BASE LENDING RATES

A.B.N. Bank	9 1/2	Hambros Bank	9 1/2
Allied Irish Bank	9 1/2	Heritable & Gen. Trust	9 1/2
Amro Bank	9 1/2	Hill Samuel	9 1/2
Henry Ansbacher	9 1/2	C. Hoare & Co.	9 1/2
Arbuthnott Latham	9 1/2	Hongkong & Shanghai	9 1/2
Armcro Trust Ltd.	9 1/2	Kingemorth Trust Ltd.	9 1/2
Associates Corp. Corp.	9 1/2	Knowsley & Co. Ltd.	9 1/2
Banco de Bilbao	9 1/2	Lloyds Bank	9 1/2
Bank Hapoalim BM	9 1/2	Mellville Limited	9 1/2
BCCI	9 1/2	Edward Mannion & Co.	10 1/2
Bank of Ireland	9 1/2	Meghrad & Sons Ltd.	10 1/2
Bank Leumi (UK) plc	9 1/2	Midland Bank	9 1/2
Bank of Cyprus	9 1/2	Morgan Grenfell	9 1/2
Bank of Scotland	9 1/2	National Bk. of Kuwait	9 1/2
Banque Belge Ltd.	9 1/2	National Girobank	9 1/2
Bank du Rhone	9 1/2	National Westminster	9 1/2
Barclays Bank	9 1/2	Norwich Gen. Tst.	9 1/2
Beneficial Trust Ltd.	9 1/2	P. R. Raphael & Sons	9 1/2
Bremar Holdings Ltd.	9 1/2	P. S. Reffson & Co.	9 1/2
Brit. Bank of Mid. East	9 1/2	Roxburghs Guarantee	9 1/2
Brown Shipley	9 1/2	Royal Trust Co. Canada	9 1/2
CL Bank Nederland	9 1/2	Standard Chartered	9 1/2
Canada Ptnr. Trust	9 1/2	TCS	9 1/2
Castle Court Trust Ltd.	9 1/2	Trustee Savings Bank	9 1/2
Cayzer Ltd.	9 1/2	United Bank of Kuwait	9 1/2
Cedar Holdings	9 1/2	United Mizrahi Bank	9 1/2
Charterhouse Japhet	9 1/2	Volksskas Intnl. Ltd.	9 1/2
Chouartians	9 1/2	Westpac Banking Corp.	9 1/2
Citibank Savings	10 1/2	Whitehaven Laidlaw	9 1/2
Clydesdale Bank	9 1/2	Williams & Glyn's	9 1/2
C. E. Coates	9 1/2	Wintrust Secs. Ltd.	9 1/2
Comm. Bk. of N. East	9 1/2	Yorkshire Bank	9 1/2
Consolidated Credits	9 1/2	Consolidated Bank	9 1/2
Co-operative Bank	9 1/2	Co-operative Bank of the Accepting Houses	9 1/2
The Coop. Popular Bk.	9 1/2	7-day deposit 5 1/2% - 1-month 5 7/8% - Short-term 88,000/12 months. Bk. 9 1/2%	9 1/2
Dun & Co. Ltd.	9 1/2	1-month deposit on sums of: under £10,000 5 1/2%, £10,000 up to £50,000 6%, £50,000 and over 7 1/2%.	9 1/2
Duncan Lourie	9 1/2	Call deposit 5 1/2% - 1-month 5 1/2%.	9 1/2
E. T. Trust	9 1/2	Demand deposit 5 1/2%.	9 1/2
Exeter Trust Ltd.	9 1/2	Mortgage base rate.	9 1/2
First Nat. Fin. Corp.	11 1/2	£100,000 5 1/2% - £1,000 5%.	11 1/2
First Nat. Secs. Ltd.	11 1/2	Demand deposits 5 1/2%.	11 1/2
Robert Fraser	10 1/2	£100,000 5 1/2% - £1,000 5%.	10 1/2
Grindlays Bank	9 1/2	£ Money Market Cheque Account - Effective annual rate 5 1/2%.	9 1/2
Guinness Mahon	9 1/2	Guinness Mahon	9 1/2

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.
on 17th October, 1983, U.S. \$82.72

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V.,
Herengracht 214, 1016 BS Amsterdam.

NOTICE OF REDEMPTION

to Holders of

G.T.E. INTERNATIONAL INC

81% Guaranteed Bonds due 1986

NOTICE IS HEREBY GIVEN that pursuant to the terms and conditions of the above issue US\$325,000 (Nominal) are to be redeemed at par on 15th November 1983, the following bond serial numbers have been drawn for redemption in the presence of a notary public at a price equal to 100% of the principal face amount.

BONDS OF \$1,000 EACH

107 1637	1840	4271	6950	7259	8780	10860	12097	12565	12535	13375	13704	14425	14870
122 7504	3432	4271	6950	7259	8781	10861	12098	12566	12536	13376	13705	14426	14871
354 2104	3449	4277	6952	7256	8781	10862	12099	12567	12537	13377	13706	14427	14872
523 2195	3457	4285	6953	7257	8787	10863	12100	12568	12538	13378	13707	14428	14873
643 2231	3464	4292	6954	7258	8788	10864	12101	12569	12539	13379	13708	14429	14874
762 2367	3724	4278	6955	7259	8789	10865	12102	12570	12540	13380	13709	14430	14875
828 2565	3859	4283	6956	7260	8790	10866	12103	12571	12541	13381	13710	14431	14876
1064 3379	4250	4284	6957	7261	8791	10867	12104	12572	12542	13382	13711	14432	14877
1064 3380	4250	4285	6958	7262	8792	10868	12105	12573	12543	13383	13712	14433	14878
1064 3381	4250	4286	6959	7263	8793	10869	12106	12574	12544	13384	13713	14434	14879
1064 3382	4250	4287	6960	7264	8794	10870	12107	12575	12545	13385	13714	14435	14880
1064 3383	4250	4288	6961	7265	8795	10871	12108	12576	12546	13386	13715	14436	14881
1064 3384	4250	4289	6962	7266	8796	10872	12109	12577	12547	13387	13716	14437	14882
1064 3385	4250	4290	6963	7267	8797	10873	12110	12578	12548	13388	13717	14438	14883
1064 3386	4250	4291	6964	7268	8798	10874	12111	12579	12549	13389	13718	14439	14884
1064 3387	4250	4292	6965	7269	8799	10875	12112	12580	12550	13390	13719	14440	

SECTION IV

FINANCIAL TIMES SURVEY

Motor Industry

There are signs of moderate recovery in world vehicle markets, notably the U.S., but any optimism among Western manufacturers has to be tempered by awareness that Japanese competition is a lasting challenge

"THE JAPANESE challenge will continue to exist. We (in the West) will never be able to relax and say that's it, we have made it. The extremely low production costs of the Japanese will keep us under pressure."

So says Herr Ferdinand Beicker, who, as chairman of Opel, the General Motors' subsidiary in West Germany, is well qualified to give the Western car makers' view of the Japanese threat.

The idea has gained ground that the pressure on the West has passed its peak because the Japanese are certainly finding it increasingly difficult to make progress when confronted by the protectionist measures of one sort or another which may exist in many of the world's major car markets.

Last year, Japan failed to outperform the rest of the world's vehicle-producing countries — the first time since the phenomenal growth of its motor industry began in the 1960s.

World production of motor vehicles in 1982 was about 36m, down around 3.6 per cent from the total in 1981, and the fourth consecutive year of decrease since the 1978 peak of 42.3m.

Japan's vehicle output dropped slightly more than average, by 4 per cent from 11.18m to 10.75m and its share of world production eased from 29.7 to 29.6 per cent.

As these figures partly indicate, the world's vehicle production is highly concentrated. The eight largest producers — General Motors, Toyota, Nissan, Ford, Volkswagen, Audi, Renault, the Peugeot-Citroen-Talbot group, and Fiat-based in five countries — together account for over 70 per cent of world output.

The only major change in the league table of major producers

last year was that Honda overtook Chrysler to capture tenth place in the "top ten" table (measured by vehicle sales). Thus the list now contains four Japanese companies, four Europeans and the two U.S.-based multinationals.

Japanese vehicle production so far this year has been slightly ahead of the 1982 total,

operated since 1980 and restricts them to 1.65m cars a year.

So Europe has been mainly responsible for the maintenance of Japanese vehicle exports.

Consequently, the Japanese share of the Western European market has crept back up above 10 per cent once again, having

much more confidence. So much so that General Motors, which gave up making public forecasts about its domestic market a couple of years ago, has now come out of silence.

Chairman Roger Smith recently suggested that vehicle sales in the U.S. would total 13.5m in the 1984 model year (from September 1983) a 15

\$80bn.

Yet, in spite of it all, GM says it cannot build small cars in the U.S. profitably at the moment because the Japanese are still setting the standard by building them in the States at \$2,000 under American cost.

GM says it must turn to Japan for its small cars as an interim measure, and wants to import 200,000 a year from its 34 per cent-owned associate Isuzu and a further 100,000 very small cars from Suzuki in which GM has a 5 per cent stake.

And, if it can get U.S. Government approval for a joint venture with Toyota, another 200,000 to 300,000 part-Japanese, part-American cars a year will be produced.

Ford is determined not to surrender small car production for the States entirely to the Japanese and reckons that, though its small cars are not profitable at the moment, neither does it lose money on them.

If sales do shift back to this level, the U.S. producers stand to make huge profits after the major cost-cutting programmes they have been through. Direct employment in the U.S. industry was, for example, reduced from more than 1m in 1978 to 685,000 last year.

In the short term much will depend on the outcome of the discussions about the U.S. quota system: whether it will be continued and, if so, what level of shipments to the States will be agreed upon.

Car output in the U.S. by the beginning of September had jumped by 24 per cent to 4.34m and the mood in Detroit was summed up by Ford's chairman, Philip Caldwell, when he declared: "The U.S. automobile industry has now lifted itself out of the longest and most damaging recession in its history. The industry is back in the black."

While there is no euphoria — the boom could evaporate overnight if interest rates rise again and burst the bubble of consumer confidence — the mood of the U.S. manufacturers is

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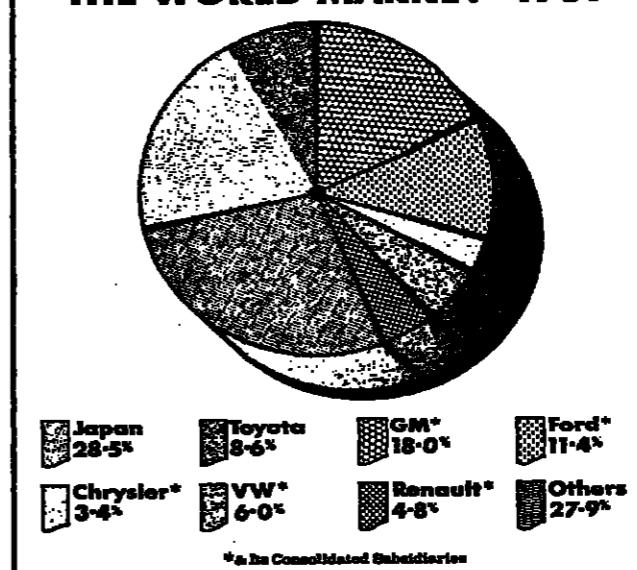
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MAJOR PRODUCERS' SHARE OF THE WORLD MARKET-1981



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the plants has actually moved up. More metal must be moved out to the dealers than ever before if a factory is to make a profit.

Vittorio Chidella, Fiat Auto's chief executive, reckons this might well lead to a bloody price war across Europe followed by even more expensive financial incentives such as extra bonuses for the dealers to give them more room to cut already-reduced list prices. All this has a familiar ring in Britain where such events have been happening already and producing that remarkable situation — manufacturers cutting prices deeper and deeper in spite of record levels for new cars rising to record levels.

Now that demand is picking up in Germany, the European producers will be watching anxiously to see if recovery in the EEC's biggest market can bring back some price stability or whether the British experience will spread through Europe.

So far the omens are not particularly good. In the year to July, average car prices in Germany have risen only 3.9 per cent compared with 6.9 per cent in the previous 12 months in spite of the fact that this year, as one executive put it, "we are offering much more car per car."

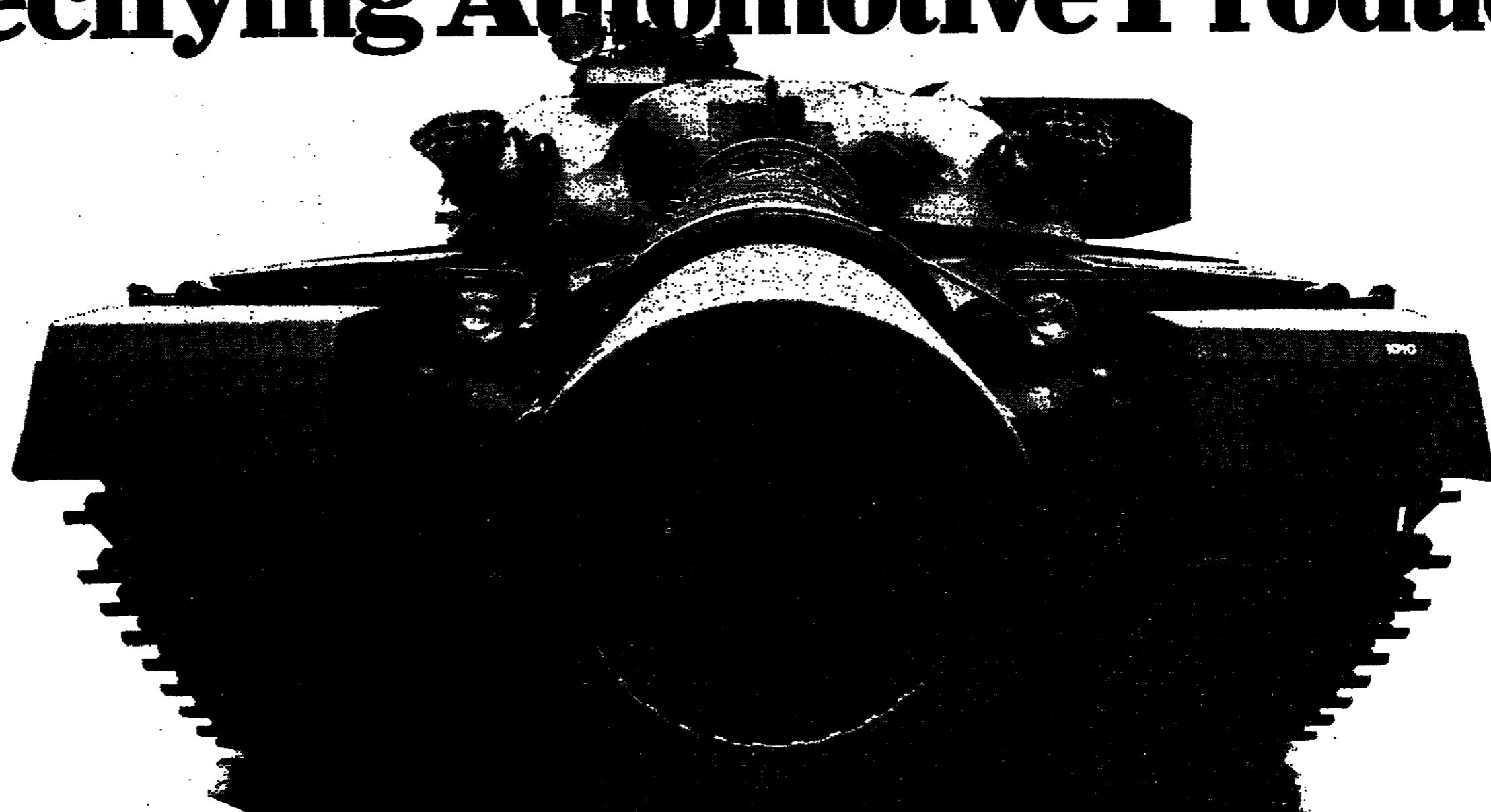
The Europeans are now beginning to wonder how they will pay for the second part of their massive investment programme.

As Ed Blanch, Ford of Europe chairman, says: "If the profit is not there, the industry will not be able to support its long-term investment programme. Then the profit problem will become a jobs problem."

Japanese the pacesetters

By Kenneth Gooding, Motor Industry Correspondent

A powerful argument for specifying Automotive Products.



You'll find AP components in many of today's most advanced and successful vehicles. This monster, for instance, depends on our brakes and hydraulic systems supplied by our AP Precision Hydraulics division at Speke.

And when the B.L. Metro was launched, AP was chosen to provide the brakes and clutch as well as the revolutionary/automatic gearbox.

The industry believes in us, because we believe in the industry.

No engineering problem has ever been too great for us to enjoy tackling.

And our track record speaks for itself.

Recent AP developments include Micro-

processor control of automatic gearboxes.

That means a massive 25% fuel saving.

And the DST clutch which reduced cover components from 23 to 4, saving 30% of the weight.

You'll always find AP at the forefront of technology.

And with European wide manufacturing facilities, you'll find us in the right place at the right time.

With over 60 years experience, AP are proud to have supplied original equipment for some of the greatest names in the industry.

And when it comes to replacement parts, we can supply at least 95% of all cars in production throughout Europe.

So, as you can see, it's not just the Chieftain that makes us the guv'nor.

THE MOTOR INDUSTRY III

On a difficult route

France

THE NEXT months are likely to be both difficult and crucial for the French motor industry. The country's two large car makers, the state Renault group and the private Peugeot-Citroen-Talbot group, are for their different reasons undergoing a difficult and delicate period at a time when their domestic market is slowing down in response to the French Government's tight economic austerity programme and continuing inroads by foreign car manufacturers.

For Renault, the main problem is that the large state car maker is in the middle of renewing its model range. It expects to complete this complex and expensive operation by 1985 when the company also hopes to return to profit. Renault lost FF 1.25bn last year and expects to make another loss this year largely because of the continuing heavy

CAR REGISTRATIONS

	12 mths	12 mths
Alfa Romeo	31,761	34,923
BL	32,663	33,996
BMW	33,467	34,521
Chrysler	26	58
Datsun	17,726	13,823
Ford	14,749	14,749
Fiat Auto	101,912	82,465
Ford	132,815	101,323
General Motors	51,823	34,029
Honda	9,143	6,649
Innocenti	838	3,090
Lada	24,185	21,628
Mazda	15,383	12,563
Mercedes-Benz	17,853	16,256
Mitsubishi	4,032	3,213
Peugeot SA	621,979	605,573
Citroen	248,975	260,490
Talbot	111,670	90,409
Porsche	1,528	1,283
Polski	1,883	1,639
Renault	804,968	713,195
Saab	313	326
Skoda	3,845	3,892
Toyota	13,515	10,509
VAG	124,410	122,272
Volvo	10,897	9,789
Zastava	759	1,203
Others	57	54
Total	2,066,490	1,834,826

deficits from its commercial vehicles subsidiary, Renault Vehicles Industrielles.

The state car maker has now successfully renewed the middle of its car range with the Renault 9 and the Renault 11. It is planning to launch a new top of the range model next year and is working on the renewal of the key lower end of the range to replace eventually the still popular but now increasingly ageing Renault 5.

Despite continuing debate and criticism from the French pro-Communist CGT labour union, Renault is pressing ahead with its "American" strategy. In the past year it has expanded its interest and presence in the U.S. by increasing its stake in Mack Trucks, pushing ahead with American Motors and investing more heavily in Mexico. Although the U.S. has continued to represent a financial drag on Renault, the state group claims it is beginning to see the fruits of its efforts. It is also looking at the U.S. market, which accounts for about a third of the world automobile market but only 4 per cent of Renault's annual sales of FF 97.1bn last year, will be the main platform for future growth.

While Renault is going through a difficult patch at present, the problems of the Peugeot group are far greater. Peugeot is now in the middle of a major controversy in France because of its decision to sell its 10 per cent of the works of its French Peugeot and Talbot car divisions. The private car group has now made its formal application to lay off about 7,300 people which, if approved by the French labour authorities, would represent the largest single wave of lay-offs ever made by a French company.

For Peugeot the stakes are extremely high. The group has been struggling for the past four years to reorganise and restructure itself. Its grand designs to turn itself into a major volume car producer turned sour when the group was unable to absorb successfully the European operations of Chrysler, which it renamed Talbot.

But at the beginning of this year, Peugeot appeared to have

finally turned the corner and was forecasting a return to profit or at least break-even for 1983. The most difficult part of the restructuring appeared to be behind it. Among other things, this involved reducing the group's international workforce by 60,000 people over a three-year period. The company also launched a more aggressive marketing campaign and started coming out with a number of successful models like the Peugeot 205.

Apprehensive

By the end of the first half of the year, however, it became increasingly clear that the company would probably not be able to return in the black in 1983 after three years of losses totalling FF 6bn. Like Renault, Peugeot became apprehensive about the effect the Government's new austerity measures announced in the spring would have on demand in the second half of the year. While its Peugeot and Citroen divisions appeared to be improving, Talbot remained the group's Achilles Heel. Moreover, with debts of about FF 1.3bn, Peugeot faced pressure from its creditor banks. Last but by no means least, the threat of nationalisation has always lurked in the background although the Socialists have repeatedly claimed they want to see Peugeot remain a private concern. As for M Bernard

Hanon, Renault's chairman, he finds the idea of a merger between Peugeot and Renault into a single large French state-owned sort of an Automobiles de France as abhorrent.

Peugeot thus felt it had to act quickly. It argued that only by making some additional painful internal surgery could the company's economic viability be assured. Just before the long summer holidays it landed the bombshell and announced the widespread lay-offs. The reaction from the CGT labour confederation was inevitable, especially since the main target of the latest plan was Talbot's large plant at Poisy in the suburbs of Paris. This has traditionally been a problem plant and one with a large proportion of immigrant, mainly North African, labour. But while the union reaction was predictable, Peugeot appears to have calculated that with the Socialist Government's new, more pragmatic, industrial policy it would have a chance of making the lay-offs after the initial fury died down. In this respect, Peugeot appears to have calculated correctly.

Industrial policy under the new Socialist industry minister, M Laurent Fabius, has become far more "industrially" orientated than during the term of his controversial predecessor, M Jean Pierre Chevénement.

Paul Betts

REUTERS

Other European car registrations

NETHERLANDS		Mazda		VAG		40,933		40,654		Peugeot SA		14,114		17,005			
12 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths	12 mths		
Alfa Romeo	1,982	1,981	Mercedes-Benz	5,492	5,776	Volvo	5,973	5,759	Others	785	1,131	Peugeot/Talb.	6,037	6,381	Citroen	5,077	6,024
American Motors	4,047	4,020	Mitsubishi	11,545	12,963	Others	1,131	1,131	Total	292,667	291,066	Porsche	405	428	Renault	11,227	9,715
BMW	6,555	6,570	Citroen	22,851	23,715	Talbot	24,859	25,715	Saab	479	666	Skoda	376	432	Saab	479	666
Fiat	14,246	14,246	Ford	521	478	Peugeot-Talb.	32,570	31,084	Subaru	3,127	3,143	Skoda	3,127	3,143	Subaru	3,127	3,143
BMW	12,219	11,974	Renault	1,020	1,020	Talbot	3,577	477	Toyota	7,440	9,321	VAG	40,244	41,613	VAG	40,244	41,613
Datsun	18,756	17,560	Saab	2,029	1,926	Volvo	17	55	Volvo	3,045	3,409	Others	134	212	Others	134	212
Fiat Auto	22,257	22,257	Suzuki	1,070	1,026	Others	1,131	1,131	Total	194,150	181,106	Total	194,150	181,106	Total	194,150	181,106
FSO (Polish)	55	191	Toyota	21,102	26,100	VAG	45,280	45,100	FINLAND	12 mths	12 mths	SWEDEN	12 mths	12 mths	SWEDEN	12 mths	12 mths
Ford	42,432	40,249	VAG	1,079	7,842	Others	1,094	1,294	Mazda	10,800	9,439	Alfa Romeo	63	48	Alfa Romeo	63	48
General Motors	55	55	VAG	1,079	7,842	Others	1,094	1,294	Mitsubishi	6,200	5,696	American Motors	59	84	Mitsubishi	6,200	5,696
Honda	14,188	15,207	VAG	1,079	7,842	Others	1,094	1,294	BMW	5,504	5,385	BMW	5,504	5,385	BMW	5,504	5,385
Hyundai	2,272	1,969	VAG	1,079	7,842	Others	1,094	1,294	Datsun	5,202	5,202	Citroen	2,300	2,317	Datsun	5,202	5,202
Lada	9,244	6,656	VAG	1,079	7,842	Others	1,094	1,294	Fiat	1,622	1,622	Talbot	585	585	Fiat	1,622	1,622
Mazda	15,045	17,416	VAG	1,079	7,842	Others	1,094	1,294	Renault	1,490	1,108	Ford	12,450	10,321	Renault	1,490	10,321
Mitsubishi	8,059	8,059	VAG	1,079	7,842	Others	1,094	1,294	Skoda	30,562	26,741	Fiat Auto	7,109	8,302	Skoda	30,562	26,741
Mercedes-Benz	14,045	18,328	VAG	1,079	7,842	Others	1,094	1,294	Alfa Romeo	6,200	5,696	Alfa Romeo	63	48	Alfa Romeo	63	48
Peugeot SA	48,491	52,166	VAG	1,079	7,842	Others	1,094	1,294	Mitsubishi	5,504	5,385	American Motors	59	84	Mitsubishi	5,504	5,385
Citroen	22,074	22,074	VAG	1,079	7,842	Others	1,094	1,294	BMW	5,504	5,385	BMW	5,504	5,385	BMW	5,504	5,385
Talbot	16,045	16,045	VAG	1,079	7,842	Others	1,094	1,294	Datsun	5,202	5,202	Citroen	2,300	2,317	Datsun	5,202	5,202
Porsche	1,068	1,068	VAG	1,079	7,842	Others	1,094	1,294	Fiat	1,622	1,622	Talbot	585	585	Fiat	1,622	1,622
Skoda	1,218	1,218	VAG	1,079	7,842	Others	1,094	1,294	Renault	1,490	1,108	Fiat Auto	7,109	8,302	Renault	1,490	1,108
Suzuki	1,068	1,068	VAG	1,079	7,842	Others	1,094	1,294	Skoda	3,127	3,143	Fiat Auto	7,109	8,302	Skoda	3,127	3,143
Toyota	15,828	15,879	VAG	1,079	7,842	Others	1,094	1,294	Alfa Romeo	6,200	5,696	Alfa Romeo	63	48	Alfa Romeo	63	48
VAG	27,124	27,709	VAG	1,079	7,842	Others	1,094	1,294	Mitsubishi	5,504	5,385	American Motors	59	84	Mitsubishi	5,504	5,385
Volvo	10,897	9,789	VAG	1,079	7,842	Others	1,094	1,294	BMW	5,504	5,385	BMW	5,504	5,385			

THE MOTOR INDUSTRY IV

Obliged to slug it out in the world arena

The U.S.

IN AN attempt to explain the problems posed for the U.S. motor industry by Japanese importers, Mr Phillip Caldwell, the chairman of Ford, suggested recently that they were just one more symptom of the way the world was catching up with America. The palmy post-war era of effortless superiority was gone, he contended. U.S. motor cars now found themselves slugging it out in the market place on more or less equal terms with their competitors.

As Mr Caldwell's views indicate, the U.S. industry has been going through a period of intense self-examination and criticism, from which it is emerging as a more sober and pragmatic animal. The inflationary era of the 1970s cushioned the domestic manufacturers against the worst effects of the oil crisis. While U.S. cars were redesigned and downsized to cope with higher fuel prices, costs continued to rise rapidly and plant efficiency declined by comparison with rival manufacturers in Japan.

Cash pressures

By 1978, blue collar employment in U.S. manufacturing plants had reached a peak of 811,000 as a booming market shielded U.S. producers from the impact of an escalating import share. Wages in this period remained ahead of inflation, adding to the cash pressures which were later to squeeze the companies as they headed into the recession.

In response to the Japanese challenge the end of the 1970s saw the beginning of an enormous capital spending surge. Expenditure of the big three U.S. companies — General Motors, Ford and Chrysler — had been running at around \$45m a year throughout the mid 1970s. From 1979 to 1982, the annual average was pushed to more than \$10.5bn a year. Old plants were torn apart, and the industry's former emphasis on styling and marketing changed as it attempted to upgrade the quality and efficiency of output.

This investment redirection, however, could scarcely have come at a more uncomfortable moment in financial terms. It coincided with the worst recession the industry had seen

since the war, and as sales plummeted the big companies had to dip deep into reserves to keep their investment effort going. Losses of the three large groups escalated in 1978—the nadir of the slump—to around \$4.2bn, and in the three years to the end of 1981 their aggregate deficit amounted to \$8bn.

The question now is whether this collapse has been effective in clearing up the industry sufficiently to establish a more secure base from which it can expand in future. The capital expenditure programme has clearly had its impact in producing a new range of models and better plants in which to make them. At the same time, sweeping redundancies and wage cuts have brought down overhead costs dramatically. In the current calendar year, for example, the U.S. industry might well make profits of \$5bn net while selling only 6.8m cars —making profits, in fact, at a far lower break-even point than was possible only three years ago.

Two examples show how attitudes have changed in the industry. The first, and most important, concerns Chrysler, which made an enormous breakthrough with its unions during its crisis in 1978-81, when they accepted pay cuts of \$2 a week in return for the government-backed loan guarantee scheme which saw the group out of its financial disarray.

Chrysler's agreement set a precedent which has spread steadily across the high wage and often hard-pressed industrial sectors of the U.S. During the high inflation period of the 1970s, the workforce in these industries had kept well ahead of the race in real terms, helped by a mixture of basic wage increases and cost of living adjustments. The slump saw the surrender of these real gains.

The second example is of a similar, but even more drastic, cut at Ford, which has recently said that it intends to trim yet another \$1bn off production costs over the next few years.

At its Rouge steel plant, one of the four production units at its huge integrated Rouge complex near Dearborn in Michigan, Ford has forced through wage cuts, after months of wrangling, by the threat of closure.

Here again, the company claims that overheads were out of line with the rest of the industry — the Rouge steelworkers were earning about \$5 an hour more than other operators in the plant. But in return for the

cent last year to 5.56m units, the first significant yearly drop in 25 years, and have limited room for expansion this year, given the continuation of either voluntary or mandated restraints in several major markets.

Yet, over the past year, the Japanese industry has either put into effect or set in motion plans considerably to expand its overseas production facilities, either unilaterally or in collaboration with foreign manufacturers. The most eye-catching of these was the announcement earlier this year that the two global giants, Toyota and General Motors, would be cooperating in a new joint venture in California.

But actual production has

already begun at Nissan's light truck factory in Tennessee and Honda's car plant in Marysville, Ohio. Nissan will presumably decide any day now whether or not to invest in Britain, where

Honda-Bl Acclaim models are already being turned out, and work on a new car, code-named XX, is jointly under way. Toyota has won a major new car plant

run down to levels which suggest there is a great deal of pent-up demand in the pipeline.

Some economists have cautioned against euphoria, arguing that when the dealers are short of inventory they have a chronic tendency to overestimate demand, but the companies are nevertheless pressing ahead with plans to push up production. In the calendar year so far, output has already increased by 26 per cent, and over the final quarter there are plans to step it up even more. Chrysler, indeed, has announced a programme of additional shifts and plant expansion which is designed to bring another 700,000 units of cars and trucks a year into production compared with the 1.4m at present.

The impact on profits has been dramatic, as the industry turned straight round from negative results in the final two quarters of 1982 to swing to aggregate net earnings of almost \$1bn in the first quarter of 1983, and \$1.6bn in the second quarter. Wall Street estimates that third quarter earnings could amount to around \$1.1bn, and is hoping

that the dollar is overvalued.

Cheaper costs

This failure at the bottom end of the market underlines the structural inadequacy of the U.S. industry, despite all its changes, when faced with the most efficient manufacturing machine in the world. U.S. producers agree that some of the Japanese advantage comes from an undervalued yen, and there is widespread agreement that the dollar is overvalued.

But even allowing for currency differences, the American companies accept that Japanese costs can be \$200 to \$400 a unit cheaper at the point of production in this small car range.

A variety of responses to this challenge are now emerging—and indeed, splitting the industry. General Motors has recently signed a joint production agreement with Toyota which will see the two largest manufacturers in the world combining to manufacture a new small car in California. At the same time, GM is also planning to import up to 300,000 small cars for its Chevrolet division from Isuzu and Suzuki every year.

Thus GM would like to increase the import quota, currently standing at 1.6m units a year, in order to accommodate its plans. Ford would like to see the quota maintained, on the other hand, and Chrysler wants it reduced. The dispute promises to be a rich area of dispute in the American industry for some time to come—but its resolution will be the key to the industry's fight to return to its former glory.

Terry Dodsworth

Well placed to reap rewards

Japan

FEW INDUSTRIES are as basically well positioned to benefit from a sustained global economic recovery as the Japanese car industry. The key in the ointment is whether the politicians who regulate international trade will allow the industry to exploit the opportunity that await it.

The last 12 months have presented the industry with a number of dichotomies. The domestic market has remained surprisingly buoyant and intensely competitive. Home car sales in 1982 reached a record 5.26m units and look like rising by a further two per cent at least this year. The number of models continues to proliferate, particularly in the smaller end of the range.

But exports, which account for a little over half of total production, have been constrained. They fell by 7.8 per

cent in Taiwan.

There is even a fascinating new wrinkle to the international trade in cars affecting Japan with the emergence in the U.S. car industry, in less of a strong lobby to increase rather than diminish the import of Japanese vehicles. The two governments are currently negotiating a fourth year of Japanese export restraints—now pegged at 1.6m units a year—and the climate of these was the announcement earlier this year that the two global giants, Toyota and General Motors, would be cooperating in a new joint venture in California.

But actual production has already begun at Nissan's light truck factory in Tennessee and Honda's car plant in Marysville, Ohio. Nissan will presumably decide any day now whether or not to invest in Britain, where

CONTINUED ON NEXT PAGE

gan, even went so far as to describe Japanese attitude as "atavistic to a second Pearl Harbour. But the vigour of the U.S. economic recovery and the changing needs of Detroit have prompted the major American car companies, General Motors, Ford and Chrysler, to plan on increasing imports from their Japanese affiliates, Suzuki and Isuzu, Toyota, Kogyo and Mitsubishi Motors respectively. The current betting is that a fourth year ceiling could well be as high as 2m vehicles a year, an appreciation that would have been inconceivable a few months ago and one which reflects the potency of import demand.

The picture in Europe, where economic recovery has been much less strong, is more uncertain. The Japanese industry was unmoved, to put it mildly, by the internal French debate over whether or not the Honda-Bl Acclaim should be considered a European car or one

CAR INDUSTRY IN LEADING COUNTRIES

	1973	1975	1979	1980	1981	1982
Worldwide production ...	29,793	31,723	31,560	28,244	27,988	27,197
Federal Republic of Germany						
New car registrations ...	2,031	2,084	2,023	2,026	2,156	2,156
Imports	768	1,054	1,041	1,013	957	924
Exports	2,173	1,944	1,897	1,872	1,940	2,194
of which: to Europe ...	1,150	1,239	1,491	1,361	1,528	1,783
to U.S.	786	412	331	338	242	257
Production	3,650	3,890	3,832	3,521	3,578	3,761
France						
New car registrations ...	1,736	1,945	1,976	1,973	1,935	2,086
Imports	461	572	604	675	786	972
Exports	1,446	1,570	1,638	1,594	1,484	1,484
Production	2,987	3,111	3,226	2,803	2,612	2,777
Great Britain						
New car registrations ...	1,664	1,594	1,718	1,516	1,487	1,557
Imports	503	801	1,061	863	905	934
Exports	539	466	419	359	316	313
Production	2,366	1,526	1,644	1,523	1,544	1,600
Italy						
New car registrations ...	1,449	1,194	1,337	1,530	1,508	1,506
Imports	419	316	626	506	663	668
Exports	656	646	647	511	424	437
Production	1,833	1,509	1,481	1,445	1,257	1,297
Sweden						
New car registrations ...	226	201	215	193	189	218
Imports	145	132	162	142	123	154
Exports	245	207	238	189	209	233
Production	342	254	237	235	258	255
Spain						
Exports	158	374	397	482	433	495
Production	706	986	966	1,023	955	928
USSR						
Production	917	1,312	1,314	1,327	1,324	1,307
Japan						
New car registrations ...	2,913	2,857	3,037	2,854	2,867	3,038
Imports	37	55	65	46	32	35
Exports	1,451	2,819	3,102	3,947	3,977	3,770
of which: to Europe ...	357	646	806	1,063	946	856
to U.S.	601	1,446	1,588	1,887	1,814	1,741
Production	4,471	5,748	6,176	7,038	6,974	6,682
U.S.						
New car registrations ...	11,351	10,946	10,357	8,761	8,444	7,754
Imports	2,437	3,625	3,066	3,248	2,999	3,091
Exports	579	672	741	560	506	553
of which: to Europe ...	15	42	67	24	13	6
Production	9,667	9,177	8,434	6,876	6,233	5,973
Brazil						
New car registrations ...	805	798	836	794	448	557
Exports	3	29	76	116	157	151
Production	557	875	921	987	586	673

* Figures are partly estimated. + From 1973 on, actual figures excluding major components. # Including exports to Canada. Source: Daimler-Benz.

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An increased capability for Europe's automotive designers.

We're Delco Products and this is our newest plant in Cadiz, Spain. It's also our latest commitment to Europe's automotive industry. A commitment to provide a wide range of quality automotive systems and components. To put Delco Products' design technologies, worldwide resources and over seventy-three years of automotive experience to work for you as never before. A commitment to provide you with the flexibility and quality you need to accomplish your day-to-day and long-range design objectives.

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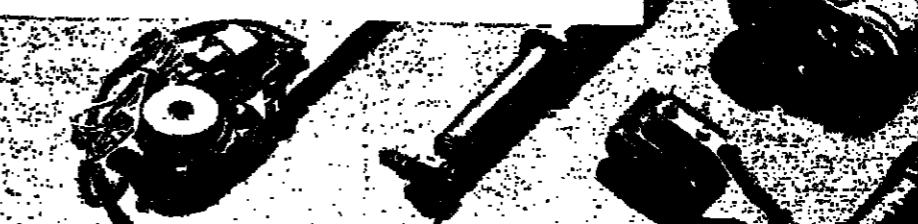
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DELCOPRODUCTS

TECHNOLOGY WORLDWIDE



THE MOTOR INDUSTRY V

Home producer plants the common aim

Third World

TAIWAN'S GOVERNMENT has set itself the target of increasing exports of motor components from the current annual level of about \$200m to \$1bn by 1990, thus putting the country among the world's major component suppliers.

To this end, Toyota of Japan has been invited to set up a 300,000-a-year car plant in Taiwan to encourage the development of the component industry.

Currently, six companies in Taiwan produce a variety of cars and trucks, and compete

with each other for domestic demand of not more than 200,000 vehicles a year. Their scale of production is simply not economically viable, so the Taiwan authorities want Toyota to produce one model on a mass scale to help lower production costs.

There are over 300 motor component manufacturing plants in Taiwan, but only about 100 have capital of more than \$50,000.

Toyota's know-how in production, management and cost control is expected to help upgrade the components sector and the Government will chip in with tax incentives and long term credit and loans at "rather low interest rates."

Japan well placed

CONTINUED FROM PREVIOUS PAGE

with substantial Japanese content, and thus potentially subject to controls. This has undoubtedly been a factor in Nissan's internal agonising over its putative British investment.

The existence of a thriving external market matters enormously to Japanese car companies except Honda. This is where their fabulously efficient methods of production can pay real dividends. The domestic market may not have reached saturation point but there is a suspicion that the returns on new investments at home are now much less attractive.

In the current fiscal year, for example, all the leading Japanese car companies except Honda are planning to spend less on capital investment than they did in the 1982 fiscal year. The industry-wide projected decline is about 8 per cent. Toyota, for example, is budgeting Y200bn for this year against Y210bn in 1982 (itself a reduction from the originally

planned Y230bn) and Y260bn in 1982. The spending patterns at Nissan, Tyc Kogyo and Mitsubishi are all similar.

Investment is being directed much more at improving existing facilities and on technological developments, especially in energy saving, than in raising productive capacity. Nowhere is this more evident than in catering to the burgeoning domestic demand for mini cars (less than 1,000 cc), itself reflecting the growth of the Japanese woman not only as a driver but as a factor in determining which car the family buys, and in the installation of turbocharged engines in the smaller-to-medium sized family cars.

Overall, Toyota—the General Motors of Japan—remains the dominant force with just over 40 per cent of domestic sales and inching steadily upwards. Nissan, often likened to Ford of the U.S. because of its early internationalisation, has seen its market share drop to around 28 per cent. Competition for

third place in the domestic league table between Honda, Tyc Kogyo (Mazda) and Mitsubishi remains close.

Of the big two, however, Toyota remains fabulously profitable. In its fiscal year ending last June, the first report to reflect the marriage between Toyota Motor Sales and Toyota Motors, the company turned in a net profit of Y228bn (or, as was widely noted in Japan, the equivalent of just about \$1bn).

Nissan, on the other hand, expects to earn about Y120bn in its current fiscal year, down from Y154bn (before special items) in 1982. Thus, in both sales and performance, the gap between the two old rivals seems to be widening a little. Their rivalry will get even sharper when Toyota returns to the sports car field, for the past 15 years very much Nissan's preserve, as it is threatening to shortly.

Jurek Martin

The Government has listed some major components as "eligible for encouragement with priority," including crankshafts, carburetors, spark plugs, drive shafts, steering systems, and stamped parts. Other components already being made in Taiwan, such as connecting rods, electrical parts, shock absorbers and head lights, will receive "encouragement" to receive production by automated processes so as to maintain quality and to lower the production cost."

Taiwan is typical of those developing countries which aim to build up their own automotive industries. Kuo-An Hsu, director general of the industrial development bureau of Taiwan's Ministry of Economic Affairs, eloquently explained the reasons his country is so intent on becoming a major component supplier when addressing the Financial Times motor components conference in Geneva earlier this year.

Development of the automotive industry and the generation of greater demand on the components industry in turn, "will set in motion the upgrading both quantitatively and qualitatively of all relevant industries such as machinery, electronics, rubber and rubber products, plastics, steel and iron, petrochemicals, glass, paints and coating materials and even textiles" he suggested.

Kuo-An Hsu covered more controversial territory when he went on to suggest that in the highly industrialised countries like the U.S., Japan and many Western European nations the automotive industry had reached a stage of maturity.

"These countries are now turning to the development of space industries. It is the automotive industry which will gradually be transferred to some of the newly industrialised countries for development in the future."

However, not all the newly industrialised countries provide suitable conditions for the development of the automotive industry. Kuo-An Hsu suggested that in the Asia region, Singapore and South Korea, as well as the Republic of China (Taiwan), were the most suitable.

The Taiwan Government estimates that car sales there will grow from 155,500 this year to about 352,000 in 1991.

However, it is by no means certain that Toyota, although invited in by the Government, will have the field to itself by the latter part of the 1980s.

For example, Renault recently completed a deal with San Fu Motors, its associate in Taiwan, for the production of up to 12,000 Renault R5s a year.

Whereas some Western

car manufacturers have given up attempting to fight the Japanese in the Far East, Renault designed the R5 for production throughout the world at near enough Japanese costs to give the mid-sized car a chance—even on Japan's doorstep.

Unlike Renault the U.S. multinationals, Ford and General Motors, are more and more relying on their Japanese associates to supply their dealers in the Asia-Pacific area.

But Ford believes Brazil has potential to match Japan eventually as a low-cost source of high-quality cars.

Brazil has a large domestic car market and a reasonably well-trenched industrial infrastructure. Wage rates in the São Paulo, the major vehicle producing region, are about \$2 an hour.

Ford admits there is much to be done to improve the quality of the components produced in Brazil, a difficulty which has arisen because the market is so carefully protected.

Argentina, too, has made some progress made by the Americans who have been trying to persuade the Brazilian components sector that it must become more efficient if Brazil is to count among a major vehicle producers in the world.

Brazil's economy has been in recession since 1980 as a result of Government measures to combat inflation, to overcome the balance of payments deficit and to grapple with the huge foreign debt burden.

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Whereas some Western

WORLD CAR AND TRUCK PRODUCTION 1972-82

Year	Australia	Brazil	Canada	France	Italy	Japan	Mexico	Spain	Sweden	UK	U.S.	USSR	W. Ger.	Others	World total	
1972	466,917	608,985	1,430,884	3,328,220	1,839,793	6,294,438	229,766	695,217	305,389	2,329,430	11,310,708	1,379,000	2,815,982	1,727,260	35,796,305	
1973	454,190	729,135	1,574,820	3,396,178	1,957,934	7,000,257	255,513	822,020	378,042	2,163,941	12,681,513	1,602,000	2,949,065	1,706,616	39,781,751	
1974	439,339	858,470	1,524,574	4,462,647	1,772,515	6,551,240	280,335	350,735	877,414	368,559	1,926,685	10,072,682	1,846,000	3,097,777	1,521,547	35,053,614
1975	456,167	929,895	1,424,006	2,881,305	1,458,629	6,841,451	280,578	814,164	366,753	1,648,209	8,898,605	1,964,000	3,186,208	1,886,520	33,985,240	
1976	456,167	929,895	1,430,112	2,900,220	1,458,917	6,841,447	280,578	867,180	1,703,506	11,497,700	2,000,000	1,964,000	3,186,216	2,057,760	34,150,011	
1977	456,592	918,425	1,430,220	3,507,251	1,583,917	8,514,522	280,578	1,240,200	205,534	1,145,966	12,587,700	2,000,000	4,186,564	2,111,578	42,485,322	
1978	384,966	1,062,197	1,517,457	3,507,530	1,651,115	9,269,153	284,127	1,143,831	205,534	1,600,457	11,479,993	2,173,000	4,249,725	2,169,816	41,515,467	
1979	461,468	1,127,966	1,631,561	2,612,458	1,632,158	9,635,546	444,426	1,122,918	254,820	1,478,512	11,479,993	2,173,000	3,373,415	2,055,495	32,366,548	
1980	364,109	1,165,207	1,574,329	3,378,433	1,611,856	11,042,584	490,006	1,181,659	298,400	1,312,914	8,008,541	2,187,000	3,897,987	2,605,572	37,508,568	
1981	391,614	778,825	1,280,498	2,019,370	1,433,086	11,179,962	597,118	987,474	313,755	1,184,265	7,940,571	2,197,000	3,897,987	2,605,572	37,508,568	
1982	408,550	860,593	1,235,685	3,148,507	1,453,043	10,737,934	472,537	1,069,507	345,150	1,156,477	6,985,313	2,210,000	4,062,565	2,337,685	36,783,129	

Source: Automobile News Data Book

by 1985 which within three years of start-up should be turning out 25,000 cars a year.

Recently, the Egyptian Government asked the French group to re-think the terms so as to give local interests a bigger share in the project than the 70 per cent first suggested.

There has been some re-thinking in the Philippines, too, and the Government has changed its mind about forcing three of the five car manufacturers there out of business.

Instead there will be a three-year period of competition, and the two companies with the highest net foreign earnings

will have the right to carry on—the others will have to close. Involved in this "survival of the fittest" battle are partners of local companies are GM, Ford, Toyota, Mitsubishi and Isuzu.

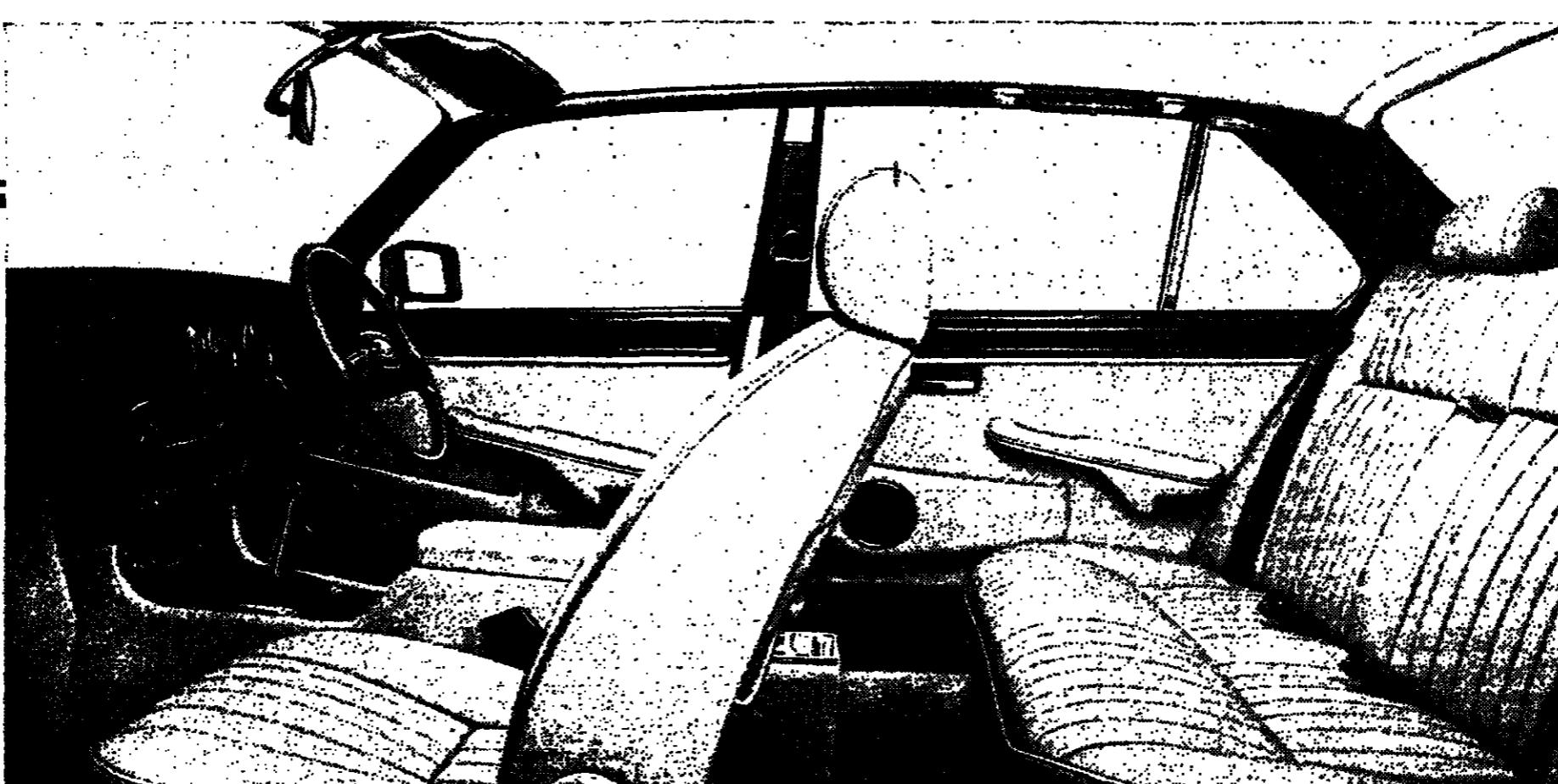
Meanwhile, Malaysia has chosen a Japanese group, Mitsubishi, for its car project which has the target of producing 20,000 in 1985 rising to 120,000 by 1990. A joint venture company, Proton (Perusahaan Otomobil Nasional) has been set up with the State-owned Heavy Industries Corporation of Malaysia (HICOM) owning 70 per cent. The new company will be \$245m on a plant at Kuala Lumpur. Initial local content of the cars will be only 38 per cent.

The developing countries seem to have learned the lesson that having one major vehicle producer, not several, makes more sense in markets where domestic demand is relatively modest.

South Korea, one of the first Asian countries to make a serious attempt to set up a motor industry, has attempted to rationalise by forcing the four local producers into one group led by the largest, Hyundai.

In fact, two of the three foreign operators withdrew—Fiat and Peugeot. The third, Sehwa, 50 per cent owned by GM, is now Hyundai's sole competitor.

Kenneth Gooding



And a level of refinement that meets, more fully, the demands of today's jaguar driver.

Many of the unique qualities of the Jaguar Sovereign 4.2 are to be found in the other 1984 model year Jaguar saloons. All share the same generous dimensions for their five-seater interiors. All display the same superb engineering, astonishing road holding, smoothness of ride and outstanding value for money.

Prices are from less than £14,000 to a little under £21,000 depending on individual specification.

Today such value may seem legendary, but it is as real as our luxury.

The luxury that becomes a legend

Finest quality leather hides, carefully matched for colour and grain are much in evidence.

A fully integrated automatic air-conditioning system is standard.

Timed windows, remote-control door mirrors, radio antenna and central door locking are all electronically-operated for

A subtle and elegant combination.

The centre console has been ergonomically designed and fitted with a digital trip computer to provide a continuous visual check on average speed, fuel consumption and time.

The steering column is adjustable for comfort. The front seats are fully reclining and have adjustable lumbar support and electric height adjustment. The rear seats

have head restraints, reading lamps and inertia-reel seat belts.

A subtle and elegant combination.

The centre console has been

ergonomically designed and fitted with a

digital trip computer to provide a

continuous visual check on average

THE MOTOR INDUSTRY VI

Fleets of new models flying flags of hope

THIS YEAR, the results of European manufacturers' huge investments in new models are coming through thick and fast. There can have been few years in the industry's history when so many new cars have been shown: most recently at the international Frankfurt show, and now at London's Motorfair.

Success for many of the models is essential if their manufacturers are to survive. They include:

Alfa Romeo: earlier this year Italy's number two car maker launched the Alfa 33, a new competitor in the medium sector, larger than the Alfasud hatchback and destined eventually to replace it. Alfa has also sought to help end its years of losses through a joint venture with Nissan, the Arna project, in which Nissan Cherry body panels are mated to Alfa Sud mechanicals. Some 60,000 a year of the Arna model are being built.

Austin Rover: the launch in March of Austin Rover's Maestro hatchback models held even more significance for the British state-owned company than the smaller Metro model which preceded it. As Mr Mark Sankey, responsible for marketing the Maestro, put it: "The Metro was the key to our survival. Maestro is the key to our prosperity."

Both sectors

Austin Rover viewed the Maestro as competing in both sectors of the medium car market, against Sierra and Cavalier-size models as well as the Ford Escort/Vauxhall Astra. So far, the five-door hatchback in seven versions—including an MG—and engines sizes of 1.3 to 1.6 litres has done well in the UK. Some 43,000 were sold in the period between launch and end of August.

But the acid test will come on the Continent, which Austin Rover is committed to regarding as part of its "home" market, and where the Maestro is only now going on sale. The range undergoes an important expansion next spring, with the arrival of the booted version, the LM 11 Van and estate versions should follow by the end of that year. By then, Austin Rover hopes to be achieving full economies of scale with annual output of 250,000 units.

BMW: with production continuing to rise steadily, BMW has appeared almost immune to recession. This year's launch of a new 3-series car was desperately important to the Munich maker, its predecessor having accounted for nearly 50 per cent of total sales. At the same time, BMW has taken three different approaches to engine technology: a turbodiesel, claimed to be the world's fastest; conventional petrol units, and the "Eta" engine, a petrol unit, designed, however, to offer high power at very low engine revolutions, thus significantly improving economy.

Citroen: the idiosyncratic styling of previous models from Peugeot's subsidiary has become more refined in the BX models pitched into the medium car sector earlier this year.

Citroen's newcomer is notable in particular for its use of body panels partially in plastic, and Citroen expects to make heavy conquest sales from other manufacturers.

Colt: the new Tredia, and Cordia saloons and coupes built by Mitsubishi of Japan emphasise Mitsubishi's continuing commitment to the turbo-charger, and come the closest yet to European standards of design and performance.

Daihatsu: Just being launched in Europe, the new 1-litre Charade diesel is claimed to be the world's most economical car, with 78 mpg-plus economy at a constant 56 mph.

Datsun: Two notable newcomers are the Micra, Datsun's smallest hatchback with 1-litre capacity, and the joint car with Alfa-Romeo, sold in the UK as the Datsun Cherry Europa.

Fiat: The Uno hatchback launched in January replaced the 127 model, once Europe's best-seller.

Fiat hopes that the Uno will repeat the 127's success. But it is up against much stiffer competition, typified by General Motors' Opel Corsa / Vauxhall Nova, a revamped Ford Fiesta, Volkswagen's Polo and others. To be adjudged a complete success, the Uno must sell at the rate of 450,000 a year, compared with 330,000 for the 127 at the height of its popularity.

The Uno forms part of a massive investment in new models by Fiat, requiring

£2.5bn to be spent between 1980 and 1985. A heavily revised version of the Ritmo/Strauss hatchback, including a booted model, the Regata, is also a new competitor. Ford felt able to claim European car market leadership, with 12.8 per cent by the middle of this year. Now it hopes to add a further 0.8 per cent with the launch of the Orion, a booted version of the Escort which some regard as the true successor to the Cortina rather than the Sierra.

Ford: following the launch of the Sierra medium saloon last year, to which has been added the 2.8 litre, 130 mph XR4i version—seen as a BMW competitor—Ford felt able to claim European car market leadership, with 12.8 per cent by the middle of this year. Now it hopes to add a further 0.8 per cent with the launch of the Orion, a booted version of the Escort which some regard as the true successor to the Cortina rather than the Sierra.

Lotus: Pitched higher up the market than Escort, the Orion is expected by Ford to sell 150,000 units a year in Europe, of which it hopes 50,000 sales will be in the UK. About 40,000 a year will be built in the UK at Halewood.

Engines: capacities range between 1.3 and 1.6 litres, the top model having the fuel injection engine from the Escort XR3i. It is the first car to be fitted with Ford's new Dagenham-built 1.6 litre diesel engine, and is claimed to top 70 mpg at 56 mph.

Mazda: earlier this year Toyo Kogyo of Japan, which makes Mazdas, introduced all new versions of its 626 medium saloons and coupes, with front wheel drive for the first time. Once again, they showed another Japanese maker meeting European competition on European terms.

Mercedes: this year, Mercedes returned to the medium saloon sector with its 190 series—though in size rather than prices, which are similar to the larger 200 models.

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THE MOTOR INDUSTRY VII

Demand for fuel economy has intensified the petrol v. diesel argument

Manufacturers tend to keep engine options open

WITHIN THE past month, three cars have been announced which for the first time show a fuel consumption of more than 70 miles per gallon in the most favourable of the UK Government's economy tests: that at a constant 56 miles per hour.

Ford Fiesta diesel (74.3 mpg at 56 mph; 55.5 mpg on the urban cycle); Ford Orion diesel (72.4 mpg at 56 mph; 51.4 mpg urban) and, most economical of all, the 1.1-litre Daihatsu Charade Diesel (78.47 mpg at 56 mph; 58.85 urban), all appear to lend strength to forecasts that by the 1990s, or even earlier, at least 10 per cent of all cars produced will be diesel.

According to the predictions of consultants Planning Research + Systems, the percentage could be much higher by as early as 1988, with output of diesel cars just in the U.S. and Europe growing from 1.558m in 1978 to 2.8m by 1986, out of total world car production of about 30m. PR + S's figures exclude Japan, where diesel car output had grown from 44,000 in 1978 to 214,000 last year, even before the new small Daihatsu diesel was launched. Daihatsu itself has had trouble keeping up with demand for its diesel mini, which is rapidly assuming "cult" car status in Japan.

Emotive question

Yet the diesel v. petrol argument remains an emotive one within the industry. Manufacturers are by no means convinced that, as, in the long term, prices of both diesel and petrol rise, the economy advantage currently enjoyed by the diesel will lead eventually to its domination over the petrol engine.

Behind their view lies the progress being made in making the petrol engine itself much more economical, by the adoption of sophisticated electronic engine management systems such as fuel injection and mixture management, over-run fuel cut-offs and similar features. This has led to smaller, 1.6 litre cars with fuel blow in the U.S.

consumptions in the region of 60 mpg at 56 mph — although their performance in the urban cycle is considerably worse. It is under part-load conditions that the diesel is at its best.

But the industry is also approaching the threshold of a revolution in car design, which will require a completely new technique from the driver.

It takes the form of continuously variable transmissions — CVTs — which, in their most sophisticated form, could close the existing fuel economy gap between petrol and diesel engines.

An improvement in petrol consumption of 25 per cent or more is considered to be attainable by using such a CVT, particularly if linked to the engine via a mini computer capable of keeping engine revolutions in the optimum fuel economy range irrespective of load or speed.

If this can be achieved — though really sophisticated engine/transmission matching is not expected before the late 1980s — the diesel could look much less attractive.

For the diesel's current main disadvantage vis-a-vis the petrol engine, considerably poorer performance per cubic centimetre of capacity, remains; even if it has been reduced by the introduction of high-revving lightweight diesels such as that fitted in the Volkswagen Golf and Daihatsu.

Diesels have already been shown to be particularly sensitive to fluctuations in fuel prices. Sales of such cars in the U.S. fell by 48 per cent in the six months up to April, compared with the same period of 1981-82, and now account for less than 3 per cent of the total new car market.

The units are also expected to go into GM's own Opel and Vauxhall cars, as well as being offered for sale world-wide. One of the handicaps they will have to overcome, however, is the impression that they are "automatic" gearboxes — firmly entrenched in most drivers' minds as being less economical than manual transmissions.

For this reason, manufac-

turers are likely to promote them as "fuel economy" units, and hope to render the term "automatic" obsolete.

GM itself is expected to use some Van Doorne components. Ford claims that the transmission will prove even more economical than a five-speed manual gearbox. It has 20 prototypes fitted with the transmission, called the CVT.

Renault and Volkswagen are also working on a similar transmission for small cars, which could also be in production from 1985 onwards.

In theory, the best of both worlds might be achieved by matching diesel units to CVTs, but the high mechanical losses inherent in CVTs, which are relatively high specific power, a petrol unit can offset and still gain a big economy advantage if operating in its optimum range — stands to make the ultimate performance of a diesel-equipped version unacceptably poor.

Still unknown is whether this picture could change with the introduction of the next generation of diesel engines, using direct fuel injection. So far, only Austin Rover and Perkins have made a commitment jointly to produce such an engine, expected to go into production in 1985. If all goes according to plan, it should be both more powerful and about 15 per cent more economical than existing diesels.

Meanwhile, Ford has just become the latest volume manufacturer to enter diesel manufacture, with its £140m investment in Dagenham to produce initially 150,000 1.8 litre car diesels a year.

With differential taxation regimes in Europe unlikely to alter significantly, Ford can expect, as with GM, which launched its own light car diesel some months earlier — its output to be readily absorbed.

But given all the uncertainties, it is not surprising that Ford, like all other makers, is keeping all its engine options open.

John Griffiths



Fully-automated spot-welding equipment on the Mercedes-Benz 190/190E assembly line at Daimler-Benz's Sindelfingen plant

Robots about to enter interior assembly

MORE SLOWLY, but inexorably, robots are advancing towards the last areas of car production and assembly on which hitherto they have been unable to encroach.

The most labour-intensive area of manufacture now is that relating to interior trim and fittings. Many of the assembly items involved, such as seating, are pliable and thus do not lend themselves easily to robotic handling.

But Fiat feels it may be best alone in thinking that the pre-assembly of interiors into modules for installation by robots is one feasible option.

Motor industry robots have come a long way even from Fiat's much-publicised "robot-gate" system which began automatically welding Ritmo/Strada hatchback bodies together in the late 1970s.

At Austin Rover's Cowley plant in the UK, one set of robots is being used to "sniff" for leaks as part of the water-proofing process on cars; a "seeing" robot developed by Coman, Fiat's robot-producing division,

can "look" at the holes where a car's door hinges need to be fitted. "Feel" for the bolts — and unerringly attach the hinges to the door.

Just prior to the launch of its Golf II model, Volkswagen disclosed the secrets of Wolfsburg's Hall 54, where 250 robots have cut the final assembly time for Golf II by 11 per cent — to 13 hours and 20 minutes — compared with the 15 minutes advanced assembly techniques used for the old model.

The hall and its facilities cost Volkswagen some \$385m. But the tasks which VW's new crop of robots undertake leave manual workers, says VW, with not much more to do than connect up wires and hoses and adjust the gear-lever.

And Volkswagen is far from finished yet: it still plans to double its existing robot population, to 2,000, by the year 1990.

Similar programmes are under way at virtually every major motor manufacturing plant.

Under the latest project to be announced, Ford in the UK is to spend £74m to turn its Transit van plant at Southampton into what it says will be one of the most highly automated commercial vehicle assembly plants in Europe by the end of 1985. It involves the installation of 80 robots, together with 50 programmable welding units.

In Europe, such robotisation is being carried out under two main pressures arising from Japan.

Certainly in terms of overall

productivity, the strategies have been working. In its three Continental plants Ford, for example, has extracted an extra capacity of 200,000 cars a year, thanks to increased automation as well as improved work practices.

The latest generations of robots are taking one stage further the transformation which is taking place in the ability of all major manufacturers — and even those producing 1m cars a year or fewer — to respond to changes in type and volume of demand for their products, without incurring undue production line upheaval or being forced to make capacity idle.

With the new, flexible manufacturing facilities now commonplace, different types and sizes of car can be run down the same line without difficulty, with computerised component inventory systems delivering a wide mix of parts for a variety of cars to precisely the right point in the assembly process at precisely the right time.

But the very success of such facilities is, ironically, leading to problems — at least for the volume manufacturers. Their cost continues to be enormous, but their effectiveness is contributing to the over-capacity which already stands at about 1m cars a year in Europe. So, with excess labour costs already stripped out, the interest investment required to plant to work at high capacity levels to reach break-even point, thus increasing sales pressure in the marketplace with the attendant risks of widening the discounting war which has already ravaged the UK market.

And if that is a worrying prospect for manufacturers, the situation is no brighter for those who work in the industry.

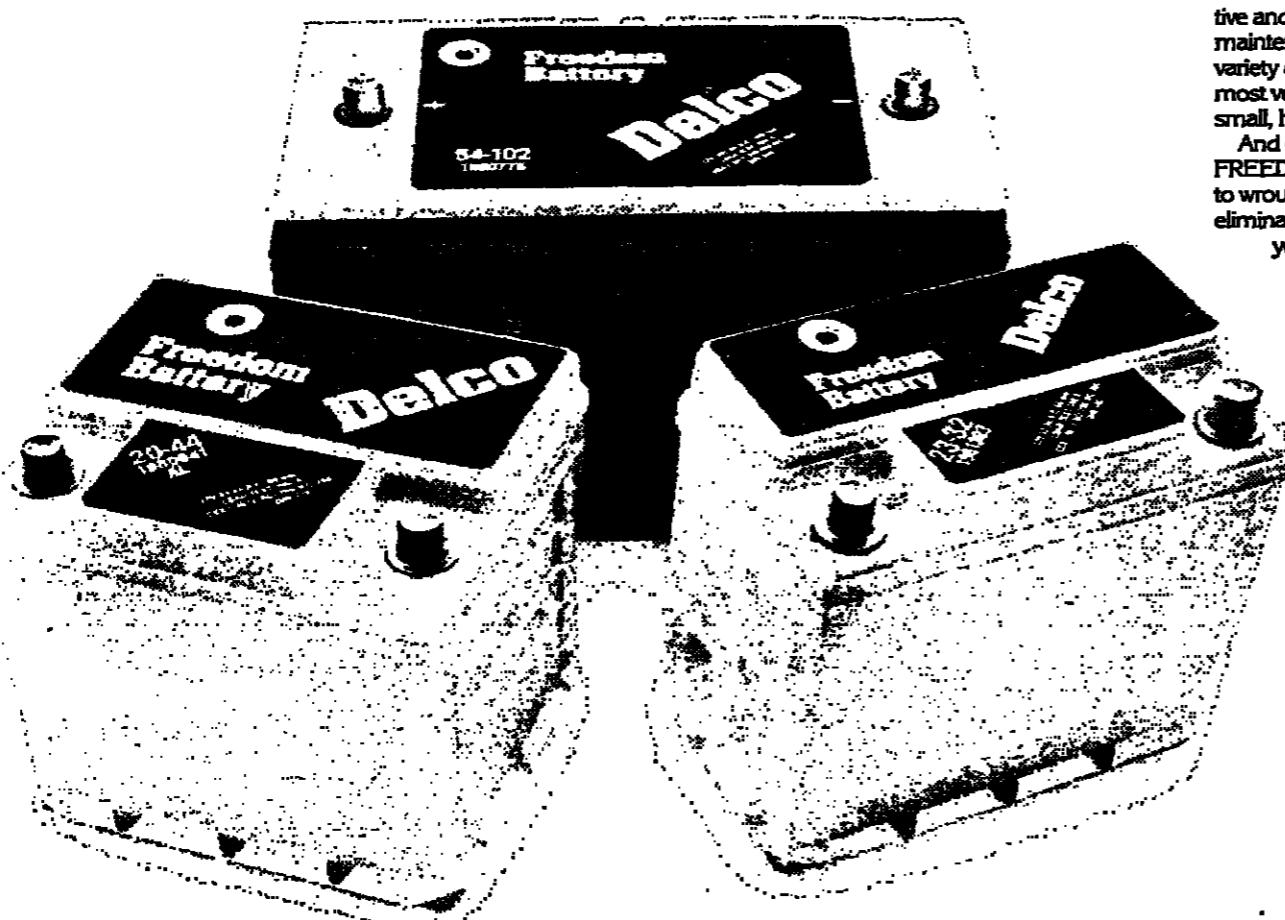
The motor industry was once the creator of jobs, certainly in early post-World War II years. Now, however, even if car demand recovers sharply, that role can no longer be maintained.

One executive at Fiat suggests that, even if Fiat were to double output over the next decade, the improvements in automation and productivity would be such that there would probably be a net fall in jobs of 1.2 per cent per annum over the same period.

Similar conclusions have been reached in research being carried out by the Massachusetts Institute of Technology's "Future of the Automobile" programme. It concludes that employment in the motor industry at best will remain static over the next 20 years. At worst, there could be job losses of up to 37 per cent among all the world's principal manufacturers.

J. G.

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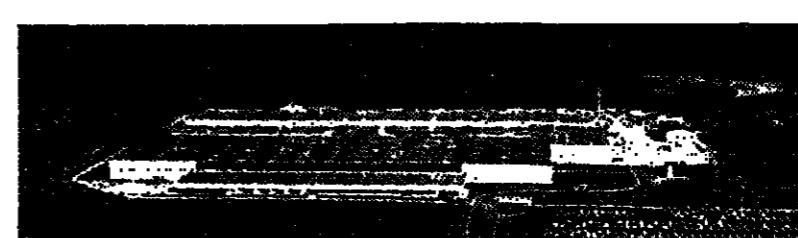
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THE MOTOR INDUSTRY VIII

Labour efficiency success faces new challenge

IT IS remarkable that industrial relations and labour efficiency were fully recognised only recently as a crucial competitive factor among the world's motor manufacturers. The second oil crisis and the growing Japanese challenge of the late 1970s thrust them to centre-stage, where they remain: Western systems are under immense pressure to adapt to rapid industrial change.

For some managements, the challenge lies in sustaining the last three years' gains as they recover. Against a background of heavy job losses and union weakness, companies in three major countries won substantial concessions from their workforces.

• In the U.S., the United Auto Workers agreed to more than \$4bn in wage-and-benefit concessions in 1980 and 1981, including forgoing of pay rises due under cost-of-living formulas. Working practices have changed at plant level, allowing employees to cover a wider variety of tasks.

• Italy's turbulent industrial relations reached a turning point in 1980, when a we-want-to-work march by 40,000 Fiat employees forced unions to call off a five-week strike at Turin. The group's productivity has since risen by more than 40 per cent and the deal of militancy has led to similar efficiency gains at state-owned Alfa Romeo following new working agreements early last year.

• In Britain, state-owned BL transformed working practices by a series of do-or-die ultimatums as it slashed its workforce, introduced robots and streamlined management systems. General Motors' subsidiary Vauxhall, recovering rapidly from a deep slump, has raised productivity and quality to European levels while disputes have fallen sharply.

Employment in the motor industries of the capitalist world's seven main vehicle-producing countries fell by half a million between 1979 and 1981 to about 3.5m and has since stabilised. It has returned roughly to its 1970 level, after peaks in 1973 and 1978-79. This, however, masks a sharp

change in relative shares of jobs between nations in the late 1970s. As competition bit between 1979 and 1981, employment fell by 23 per cent in Britain and by 26 per cent in Italy and the U.S.—and the decline continued over the past two years.

Japan's startling productivity growth is illustrated by the fact that its share of total employment in the main countries increased only slightly—from nearly 18 per cent in 1970 to less than 22 per cent in 1981, while its share of vehicle output soared from 22 to nearly 38 per cent.

Uncertain prospects

Prospects for world employment do not seem bright. "The Future of the Automobile Program," a project based at Massachusetts Institute of Technology, is expected to publish research forecasting that employment will either stagnate or fall by up to 37 per cent over the next 20 years.

Growth in demand forecast at about 2 per cent a year would be wiped out by productivity improvements within a range of 2 to 4 per cent.

Trade unions are worried about further job losses, not only from increased automation and streamlined work organisation. In Europe there are too many plants, particularly in the depressed lorry business; in the U.S., foreign sourcing of components is on the increase.

Against that background, managements have to develop industrial relations systems capable of adapting to changing technology and a heavier emphasis on quality. The skill levels of their workforces must be improved at a time when, despite of stagnating employment, they cannot take on more highly trained workers from outside.

In the U.S., the number of workers in the motor industry fell by 34 per cent from a peak of over 1m in 1978 to 685,000 in 1982, and the numbers called back from indefinite lay-off this year have not matched the rise in production.

Four years of cutting costs and improving products and

plant efficiency are finally paying off in higher sales and profits. The industry is approaching \$5bn in profits this year after combined losses of \$5.2bn between 1980 and 1982. The problem for managements is to dissuade the United Auto Workers Union from demanding back all the things it gave away in the hard times.

The union won a substantial wage increase at the recovering Chrysler earlier this year. Mr Owen E. Bieber, UAW president, said of the next round of talks which get under way at Ford General Motors next year: "I'm going to fight like hell to see that our members get their fair share."

Some senior UAW figures, however, do not want to be seen as setting back the industry's recovery, and would be prepared to set a modest deal tying wages to profits, a referendum for improved job security, and remaining. They realise that the industry needs further improvements in working practices.

Productivity has improved: Ford claims the hours taken to make a vehicle in North America fell by 15 per cent between 1980 and 1982. But the industry is still struggling to match foreign manufacturers' efficiency, quality and price.

Executive talk of needing to improve productivity by 10 per cent a year to beat the Japanese, whose labour costs are nearly 50 per cent below those in the U.S.

The crisis bargaining of the past three years has radically altered the U.S. tradition whereby labour bargained on terms and conditions and kept its nose out of management's running of the business. Wages have become more directly tied to the company's performance; plant-level changes in working practices have brought greater variation around central contract terms; more extensive worker participation programmes have been introduced.

Whether this change will endure remains to be seen. Piece-meal changes in a cohesive industrial relations system are difficult to make. The Chrysler deal reinstates cost-of-living rises and removes the newly

introduced profit-sharing plan. It shows that considerable loyalty to traditional mechanisms still exists among workers.

Throughout Western countries, aspects of the Japanese system have been adopted piecemeal in a drive to close the productivity gap—quality circles, worker flexibility, low stocks. Companies believe these have already yielded benefits, but how far this can go without a complete change of industrial philosophy has not yet been fully tested.

What has also not been fully explored is an apparent conflict between the two main lessons Westerners draw from the Japanese experience: for some, Japan's success rests on the low level of union involvement in company affairs, and underlines the need for management to assert its right to manage; for others, Japan depends on employee co-operation and social consensus.

Assertiveness

The new assertiveness of British and Italian managements exemplifies the former pattern. Other observers believe it better to avoid these oscillations of power by adopting systems of institutionalised co-operation like the West German one, with stable sector-level bargaining, strong statutory rights of employee involvement on works councils, and legal limitations on strikes.

Certainly Germany has responded to the Japanese challenge better than most, maintaining stable employment while embarking on large scale automation, and offsetting its high wage costs by avoiding strikes, meeting production targets, raising skills levels and making workers more flexible.

But Germany is Germany. Emulating its success poses exactly the same problem as matching that of the Japanese: its system works because it is cohesive. For the foreseeable future, the West's industrial relations systems seem set to remain diverse.

Brian Groom



A "finite element analysis" programme on Austin Rover's Maestro—part of the advanced computer-aided systems used on the project.

Wider implications of electronics

DESIGNED BY computer. Built by robots. Driven by a moron." So said a joky sticker on one car I followed recently. An admission perhaps of the driving skills of one motorist but also an acceptance that vehicle manufacturers owe a lot to the electronics industry these days.

Electronics, for so many years, have been promising to pervade the automobile industry. Certainly, there are many areas in the manufacture of vehicles where electronics play an important part. Computers often control the final testing of vehicles, measuring the performance of an engine, and the effectiveness of the braking system; while one-armed robots stand in regimental rows along the assembly lines.

It is now common for car manufacturers to have computerised ordering of car parts. British Leyland's system, which allows dealers to order parts by phone and talk directly to the computer through a voice recognition and synthesis system, is probably the best known in this field.

Even in the field of car maintenance and repair BMW broke new ground when it introduced a microprocessor-controlled fault diagnosis system. The company expects that from 1986 onwards its cars will require 40 per cent less maintenance than is needed now, with an interval between servicing—excluding

oil changes—of up to 50,000 kilometres.

BMW's estimates are based on work carried out on computerised test vehicles in which cars diagnose their own faults and bypass them, if necessary.

Computers based at service outlets will take information from the car's microprocessor and evaluate the degrees of wear in all main components and how long they are likely to last without servicing. The first car to be fitted with the system will be the new large Series 7 planned for 1986-87.

Such a system will overcome many of the problems already associated with traditional servicing, such as asking the driver to explain any defects or the need for test drives to assess a particular problem. To diagnose such faults sensors are fitted on many major components from brakes to spark plugs and shock absorbers. These give different types of signals and the computer is able to convert this into digital information for processing.

This is probably one of the major areas in which electronics is providing a useful, rather than cosmetic addition to vehicle design. Many manufacturers are now well advanced with engine control systems.

It is often easy to forget that the car provides one of the worst working environments for

probably, making its greatest inroads on the dashboard with the replacement of the old mechanical dials by digital equivalents.

The greatest impression has been made on the most expensive models within manufacturers' ranges. For example, Renault introduced a remote control locking system in its most expensive 20 and 30 series models. This device uses a special keyring incorporating a matchbox-sized transmitter which emits infra-red rays. The transmitter uses three 1.5 volt batteries and the system is activated by the driver pressing the transmitter in sight of the dashboard-mounted receiver.

Safety is an important area in which manufacturers have set their sights on electronic solutions. These range from anti-skid devices which ensure that brakes are not applied so quickly that the car might slide out of control in bad weather conditions to radar warning systems. Companies such as Mercedes, BMW and Honda are involved closely in anti-skid systems.

Further away from the market is car radar. However, Nissan has demonstrated with its Research Vehicle II—which is based on the current Sunray—the present state of vehicle radar technology. Nissan has coupled its cruise control—which sets the cruising speed to a radar system.

This measures the distance between the car and the vehicle ahead and decides if the gap between the two is too small for safety at a given speed. The computer interrupts the cruise control and a computer voice warns the driver of the danger and slows the car to a safe distance.

The system is also backed up by anti-skid braking and Research Vehicle II also takes voice computers in case a step further than that shown on the BL Maestro. It can actually recognise a vocabulary of 26 words spoken by the driver. The voice system can then turn on lights, or move wing mirrors at the command of the driver's voice.

Using the known parameters of an engine stored in the digital memory of a small microprocessor and the data from the sensors, it is possible to optimise engine performance and car makers are working along these lines. The driver is slowed down, for example, if the car is approaching a sharp bend. It even has an on-board driver information system which allows the driver to enter the starting and finishing routes of a planned drive and the computer will indicate which turns should be made and when.

Elaine Williams

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THE HARDEST TEST OF ALL.

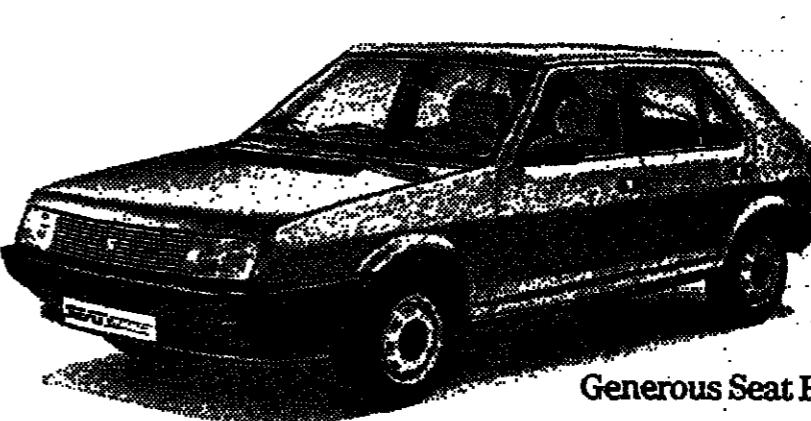
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